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National Growth and (Symposium on Communities of Tomorrow) December 11 and 12, 1967 Its Distribution

INTERNATIONAL CONFERENCE ROOM • DEPARTMENT OF STATE • WASHINGTON, D.C.

UNITED STATES DEPARTMENT OF AGRICULTURE

In cooperation with the Department of Commerce; Department of Health, Education, and Welfare;
Department of Housing and Urban Development; Department of Labor; and Department of
Transportation

Although much has been written on *how* people live—in the ghettos, suburbs and country—little attention has been given to *where* they live and why.

This was the purpose of a symposium on "Communities of Tomorrow—National Growth and Its Distribution"—held in Washington, D.C., December 11 and 12, 1967—to discuss urban growth, rural depopulation—why it's happening, how it's happening, and what it means for the future of our Nation.

We are extremely grateful to the distinguished scholars, industrial leaders, and Government officials who took time from their busy schedules to participate in this meeting.

In our opinion, papers presented were provocative; the discussion uninhibited; the ideas presented well worth pondering as we enter the last third of the 20th century. Finally, we believe the dialog is well worth continuing and intensifying.

Sponsored by:

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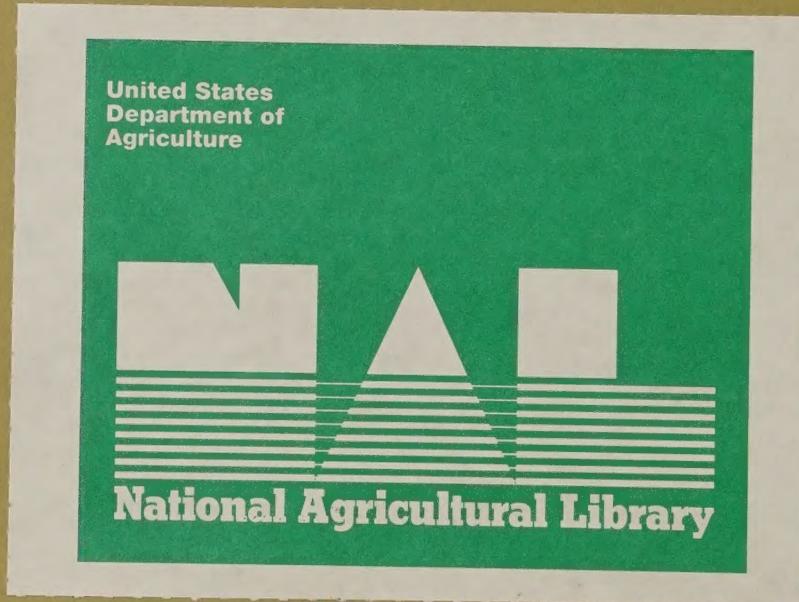
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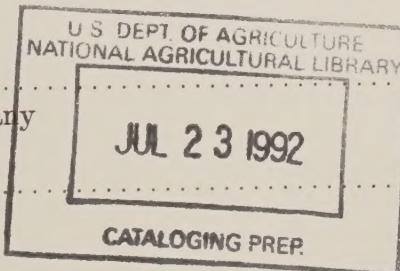
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CALIFORNIA RUM

the best standard arrived at after long and hard work. This is good evidence that we can make a good decision if we have the time and the money to do so. However, how does one go about making a decision? One way is to look at what has been done before. This often includes looking at past documents. I prefer, however, to compare their actions to another's own actions. In this case, the first question is whether the standard should be fixed or fluid. Fixed standards are usually based on a given amount of time and have little room for change. Fluid standards are based on a given amount of time and have more room for change. This is a good idea because it allows for more flexibility. Another good idea is to look at what has been done by other countries. This is a good idea because it allows for more flexibility. Finally, it is important to remember that the standard should be based on the needs of the country.

MORNING SESSION

December 11, 1967

The first point of discussion is the history of the standard. It is important to understand the history of the standard because it can help us to understand why certain changes have been made. For example, the standard may have been changed to reflect the needs of a particular country. This is a good idea because it allows for more flexibility. Finally, it is important to remember that the standard should be based on the needs of the country.

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After the morning session, the group had a break. They then reconvened for the afternoon session.

The afternoon session was led by Dr. John Smith, who presented a paper on the history of the standard. He argued that the standard should be fixed, and that a fixed standard is better than a fluid standard. He also argued that the standard should be based on a given amount of time, and that this is a good idea because it allows for more flexibility. Finally, he argued that the standard should be based on the needs of the country, and that this is a good idea because it allows for more flexibility. The group then discussed the arguments presented by Dr. Smith, and reached a consensus that the standard should be fixed, and that it should be based on a given amount of time. They also agreed that the standard should be based on the needs of the country.

After the afternoon session, the group had a break. They then reconvened for the evening session.

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SECRETARY FREEMAN

Good morning ladies and gentlemen. My name is Orville Freeman, and I am the Secretary of Agriculture and one of six Cabinet Members who are your hosts at this symposium on communities of tomorrow. You did not come to this symposium to hear me talk, and I can assure you that I came here to listen and to learn rather than to make a speech.

But I want to leave three brief thoughts with you before I get out of the way for my colleague Bob Weaver and the distinguished guests who will lead our discussions of what I think we all consider to be one of the greatest challenges of our time—or any other time.

So on behalf of myself and my five Cabinet colleagues, welcome to this Symposium on Communities of Tomorrow—National Growth and its Distribution.

This is an inspiring occasion. And I predict it will be a historic occasion. That you, some of the best intellects, best talent and best leaders from communities across the Nation have come together to spark a national dialogue on space and people augurs well for this land.

First, a little background. This symposium was born at a luncheon discussion held by its Cabinet sponsors a few months ago.

All of us expressed concern at the continuing exodus of people from countryside to big city and the problems that it helped to create and that it is helping to perpetuate.

We asked ourselves if it made sense to compress more and more people into less and less space, and, in pondering the answer, we had to agree that the country had never really addressed itself to the question.

Except for a few lonely voices, no one had tried to approach the problems of today and the dangers of tomorrow with a space-people equation.

No one had asked if it is inevitable that in the next 32 years we pile more than 100 million more people into roughly the space which holds 140 million today. No one had ventured that we might spread out a bit and use the space with which we are blessed in this great land.

We realized that Communities of Tomorrow as a national pattern was but the dream of a few, and a dream dimly perceived.

We wondered if the people could, to quote from the USDA pamphlet, "Communities of Tomor-

row," create an "American landscape doted with communities that include a blend of small cities, new towns, and growing villages—each of these a cluster with its own jobs and industries, its own college or university, its own medical center, its own cultural, entertainment, and recreational centers, and with an agriculture fully sharing in the national prosperity."

Could we create hundreds of those communities, making it possible for more than 300 million Americans to live in less congestion than 200 million live in today—enabling urban centers to become free of smog and blight, free of overcrowding, with ample parkland within easy reach of all?

Well, we were frank to say we didn't know if it could be done, and not all of us were sure it should be done—and certainly there was no formula, no blueprint as to how.

But we all agreed that national attention should be addressed to the people and space crisis.

It was Secretary Gardner who said that somehow a national dialogue needed to be sparked on this question.

This was agreed, and the next obvious step was to invite the best minds we could get to this symposium, a meeting which we hope, and expect, will generate a concentration of national concern and interest that can lead us to the development of a firm national policy.

Again, welcome, and thank you for coming.

By your presence, each of you testifies that you do not believe in the philosophy that comprehends man's plight and then, as one poet said, coughs, calls it fate and keeps on drinking, but rather you believe that man can set himself on a course of his own choosing, and that he can then sail that course if he has the courage, the imagination and the determination to do so.

You are here because you recognize that too many of us have been coughing and calling it fate for too long. You understand the view of the French philosopher who asked his gardener to plant a tree in the next week or so.

The gardener pointed out that it would be 50 years before the tree was big enough to be enjoyed.

"Good heavens," the philosopher said, "in that case plant it today."

And that is my first thought: We must start today. The congestion, the discord, the crowded, harassed, depersonalized lives of millions in our cities, and the increasingly barren lives of many

in our countryside send that message loud and on a clear channel.

And it comes on a drumbeat of change, change that is accelerating with each day that passes—at a rate that took technology from Lindbergh to Sputnik in 30 years, that put a man in space 4 years after that, three men in space 3 years later, that saw men walking in space the next year, and whose next stop is the moon.

But the dazzling parade of rockets, computers, space craft, color television and bucket-seat eights is the window-dressing of change that now puts 125 million tons of noxious fumes per year into our air;

Change that by 1980 will produce enough sewage and other waterborne wastes to consume, in dry weather, all the oxygen in the 22 river systems of America;

Change that has put 70 percent of the people onto just 1 percent of the land;

Change that is dehumanizing life, that has made the welfare check the economic base for too many families in too many cities and the old-age pension the commercial blood of too many small towns.

We need only to look at the proliferation of the garbage can life in the inner cities, the exhaust pipe life in the suburbs, and the desiccated life in the country to understand that we no longer dare to say, "Change is normal," and then let it occur.

We can no longer afford to create open sewers and then span them with a poem, as one writer said of New York's Verrazano-Narrows bridge.

We have reached the point where we can't have both. Either we turn our all out, dedicated attention to building poems, or we will create, by our indifference, open sewers—physical and social—by the year 2000 that will mean the end of this Nation.

We have proved—all too forcefully—that we can create sewers, and we have proved that we can create poems.

The choice is ours. We must decide now *what* we want; we must decide what changes *should* occur, and then we must *make* them occur.

Your speakers today and tomorrow will discuss the alternatives, and, I am sure, they will address themselves to the magnitude of the task that confronts us if we are to make our national growth a blessing instead of a catastrophe.

So I will say only this about the job ahead: I hope that we can approach it in the spirit of an action taken in Philadelphia almost 200 years ago

by a little known group called the Committee of Style and Arrangement, appointed by the Constitutional Convention to write the Constitution in its final form.

These men took the document that was to establish a real and lasting union, and they made one striking change in it—a change that did nothing to alter its doctrine or its precepts, but one that nonetheless showed, to me, at least, profound insight into the purpose of the union and a sure instinct for its survival.

It was this: As received by the committee, the preamble read, "We the people of the States of New Hampshire, Massachusetts, Rhode Island * * *" and it went on to list them all.

The committee struck out the list of States, inserted the word "United" and produced the simple, thrilling phrase, "We the people of the United States * * *"

That is how we must face this challenge before us—not as "We the people of rural America, of urban America, of business, labor, agriculture, academe, the professions," but as "We the people of the United States," 200 million of us together, preparing for 100 million more of us in the year 2000.

And when I think of those 100 million new Americans, I think of some lines by Walt Whitman, lines that I used last summer in the speech to the National League of Cities announcing this symposium, lines that to me state the basic reason for this gathering and for the work that must follow.

They read like this:

"There was a child went forth every day * * *
And the first object he look'd upon, that object he
became,
And that object became part of him for the day or a
certain part of the day.
Or for many years or stretching cycles of years."

We are meeting here because we have the power to determine what objects the children of the year 2000 will look upon; we have the power to determine what will become a part of their years and stretching cycles of years.

What we do or do not do, the decisions we make or don't make, commit them, as well as us. The time for that commitment is now, the need for the right commitment is total and it is national.

These, then are my three thoughts as we seek the proper use of a land, and of the fruits of that land, for its people: We must start *now*, we must

do it together, and we must do it for those new Americans of the year 2000.

So in a sense, as we meet here today in the 21st century, 100 million pairs of eyes, set in the fresh, wondering faces of childhood, are watching.

They deserve from us a workshop of ingenuity, a workshop of determination, and a workshop of courage as we fashion the cycles of *their years*.

And now I have the great privilege of presenting to you my distinguished colleague who is providing dedicated and resourceful leadership to the Nation as a whole, with particular emphasis on the great cities, the Secretary of Housing and Urban Development, Mr. Robert Weaver.

SECRETARY WEAVER

Ladies and gentlemen, let me join in the welcome which Secretary Freeman has so eloquently given to you and let me share with you a few thoughts as we begin what I think will be a most significant symposium.

At this time in our history the year 2000 is a common reference point. Thus it is typical that the question we are asking today is phrased this way: "How does a Nation of 200 million persons expect to provide for that population and more than 100 million additional Americans by the year 2000? How are we going to provide living space without undue overcrowding of our urban areas and with optimum utilization of the rural areas?"

I think we can begin by agreeing that on Saturday morning, January 1 of the year 2000 there will be nothing significantly changed in our Nation from what existed on Friday evening, December 31 of the year 1999. We may have a colossal hang-over that morning, however, but it will not result from the excesses of the night before. It will be the result of neglect during the years between now and then.

Thus the question before this symposium really is, what are we doing and what do we want to do in these next 32 years to make the communities of tomorrow livable, whether they are rural or urban. We are not here, it seems to me, to decide the question of rural versus urban. But rather, what we can do to preserve and improve both, so that people will have meaningful opportunities to choose either.

Also we want to be sure that within each there is a series of choices as to location, design, and institutional patterns.

When we ask about population policy, the question is not one of dictating distribution, but of enhancing people's freedom to choose.

Our policies must rest, it seems to me, on the premise of three essential freedoms: The freedom for all to choose their places of residence with the attendant question of open occupancy, the adequacy and flexibility of the housing supply, and the ability of people to afford good housing.

Second, freedom of opportunities for all to attain adequate education and employment; and

Third, the freedom of all to enjoy whatever cultural, recreational and other amenities that a community can offer.

Clearly none of these freedoms today is being fully realized by many persons and in many communities, rural and urban.

As we know, the technology of this century has changed the character of communities so that it is increasingly difficult to distinguish rural from urban. The highway, the television set, the mechanization of agriculture, as well as the expansion and automation of industry, have all had a part in blurring the rural-urban distinction.

In 1960, for example, only one-fifth of the workers living in rural areas were employed directly in agricultural operations. And in 1959 three out of 10 farmers reported that they were working off the farm at least 100 days a year.

Today, in 1967, about 67 percent of our entire national population resides in metropolitan areas.

In recent years the metropolitan areas of the South Atlantic and Pacific Coast States have experienced the greatest immigration. And only in the North-Central region has there been a significant outmigration from metropolitan areas.

Urban areas represent tremendous investments in public and private services. They all represent tremendous investments by people who hope for a good life by living closest to where they believe the opportunities are greatest.

As I have said, and others have said on many occasions, the increasing concentration of population in the great metropolitan centers is a phenomenon being experienced in all of the nations of the world. Whatever our feelings may be about this trend, there is no evidence available that it is reversible. But to accept this trend passively and to forecast the demise of smaller communities

would be folly and a failure of the national will and capacity.

It is equally unrealistic, however, to assume that rural America will hold its population unless and until it provides meaningful opportunities, adequate public facilities and services, and opportunities for self esteem to its most deprived residents.

The metropolitan complex is composed of one or more central cities, satellite cities and satellite suburban areas. Increasingly problems such as air and water pollution, open space, transportation, and a host of others, affect whole districts. The nominally small town in such a setting needs therefore to become more closely associated with its neighboring communities.

In a more isolated setting, the small town may become the center of area growth, or an element in a growth area. In any case, it, as all urbanizing communities, cannot effectively develop a life of its own, separate and distinct from surrounding centers of population.

The point is that as we become more urbanized, our capacity for self-sufficiency lessens. And this applies to communities no less than to individuals.

As we explore new directions and new approaches, and as we seek a better balance, not only between rural and urban, but between central cities and their surrounding metropolitan regions, the importance of planning becomes apparent. Planning makes it possible to approach the problems of balance within a region in all of its dimensions. It also provides the opportunity to work toward a rational policy of urban land use.

The truth of the matter is that although we have long since been an urban nation, we do not have an urban land policy. And in this respect we are almost unique among the economically advanced countries. As a consequence of this, urban land use is haphazard and usually unplanned. The price of land for urban use is rapidly increasing, often reflecting little input on the part of the owner, but rather the presence of people and expenditures for public improvements and services.

Standards of design for urban development are dependent upon decisions of thousands of entrepreneurs who act independently. They are often motivated by an urge to maximize profit as quickly as possible. Universally they face zoning ordinances that too often inhibit good design and efficient and effective land use.

What has happened is that we perpetuate no-

tions about land and its value which no longer have validity. The development of entire new communities, whether satellite or independent, offers unequalled new opportunity for balanced regional development. With adequate long-term financing, we can plan new communities from the start, zone for a balanced housing supply to serve all income groups, achieve the maximum utilization of land, and create employment opportunities for both the rural and the core city residents of a region.

New communities provide settings for experimentation and innovation. Thus they can serve to raise the horizon of expectation on the part of our people.

In the necessarily long time developments, the creative developer of a new community should eventually realize a substantial profit. But he must initially plow back into the community some of the increments of land value that are created. The resident who makes this increment of land value possible can then share in it.

When we speak of fostering balance within and between regions, I do not believe we should expect to reverse the trends of industry location within metropolitan areas. The markets, the business services, and the institutions that industry requires all exist in these areas.

Without reducing the overall efficiency of our economy, we can, however, encourage some selected industry locations in outlying areas. Such locations may be possible in presently established communities or in growth centers, or in some smaller communities where considerable assistance may be necessary.

Government economic programs have had some success in this effort. With careful selection of areas and sensitivity to the needs of the market, further Government support can be effective.

But we must resist the temptation, it seems to me, of overenthusiasm, for economic dislocation will result if we permit a program for location of industry in remote areas to become a tool for depressing wages or result in uneconomic duplication of facilities that do not reflect economic growth.

Finally, I believe that as we look ahead for several decades we cannot expect an indefinite continuation of a high level of rural to urban migration in this Nation.

The food supply requirements of a rapidly growing world population, with rising living stand-

ards, plus our own increasing domestic needs, will tend to dampen the migration.

In addition, migration from farm to town has already siphoned off a large segment of younger people. This will reduce the capacity of rural areas to increase the population pool from which migration can take place. And it will increase the likelihood that urban areas will experience a natural increase in population.

Many present deficiencies of rural areas can, and I believe must, be overcome by support for greater employment opportunities,, housing, basic facilities, education, and cultural activities.

The central communities of rural areas cannot only provide many urban services, but they can also serve to attract industry, not by artificial placements that may distort balance, but by careful encouragement that gives area residents genuine opportunities to remain in their communities. And I think we must resist the temptation of taking what may seem to be the easy way out. That would restrict mobility.

In this century, in this affluent Nation, it is unrealistic to believe that disadvantaged people will remain in areas which deny them realization of the promise of America and simultaneously hide their deprivation from public disclosure.

In my opinion our concern for rural America must be premised upon a desire to make equal opportunity a reality and upon a resolution to eradicate our pockets of poverty, no matter where they may be. When this in turn serves to reduce migration from such areas, or renders those who move better prepared for urban life, it is an added benefit. For we must recognize that regardless of what happens to patterns or volume of migration, the great increase in jobs will be in nonagricultural industries and the great increase in population will be in urban America.

The problems of our urban complexes will continue to harass us. And they must be met. Rural and urban problems are two parts of one issue. That issue is to render life more meaningful, more viable, and more exciting for all our people in all parts of this land of ours.

SECRETARY GARDNER

I am John Gardner, Secretary of Health, Education, and Welfare. I was supposed to preside at

the events which follow, but it turns out that my life is a little more turbulent this morning than I had expected.

Through a train of events, with which you will be familiar if you stop to think about it, this is the last week of Congress, and those of you who have lived and worked in this town can recapture the flavor of that week.

I have two major bills at issue this week and I will be spending the next few hours working on them. Mr. Secretary—that refers to all three of you—Lady Jackson, Mayor Naftalin and Arthur Flemming, I want to say first a word of thanks to Orville Freeman.

He gives his Cabinet colleagues a good deal of credit here, but this meeting is really due to his vision and vitality.

It is my very great pleasure, before I leave, to introduce my dear friend and predecessor, Arthur Flemming. Arthur Flemming received his bachelor degree at Ohio Wesleyan University, his masters degree at American University, took a law degree at George Washington.

He was a professor of government at American University and then president of Ohio Wesleyan. He was a member of the U.S. Civil Service Commission, a member of the National Security Council, a member of the War Manpower Commission during the Second World War. From 1953 to 1957, he was Director of the Office of Defense Mobilization. From 1958 to 1961, he was Secretary of Health, Education, and Welfare. Arthur, why didn't you warn me?

Someone told me the other day that Arthur put in 2 years and 4 months as Secretary of Health, Education, and Welfare, and it comes to my mind that I have now put in 2 years, 3 months, and 3 weeks. So I may be reaching my turn. Arthur went on to be president of the University of Oregon, as you all know. And his public, official duties only begin to tell the story of his very active life as a citizen.

He was a member of the first and the second Hoover Commissions.

He was vice president of the National Council of the Church of Christ and is now president of that organization. There is a pattern of repetition, Arthur. I note in your biography you were on the Hoover Commission and later on it again. You were president of Ohio Wesleyan from 1948 to 1953 and then president of Ohio Wesleyan from

1957 to 1958. I note that you have so far been Secretary of HEW only once.

A president of a university, a public servant, professor, leading citizen, everything that Arthur Flemming has done, he has done with great distinction and with a kind of indomitable good spirit and decency. I am very proud to have him as a friend and I am proud to introduce him here today, Arthur Flemming.

DR. FLEMMING

Secretary Gardner, and distinguished guests, friends: First of all may I express my very deep appreciation to Secretary Gardner for a more than generous introduction. As an alumnus of the Department of Health, Education, and Welfare, I have watched, of course, with the greatest interest the results of the leadership that John Gardner is bringing to the work of that Department.

Before he became Secretary of Health, Education, and Welfare, I found myself quoting from time to time from some of his writings. In doing so I referred to him as "our Nation's number one educational statesman."

And certainly the leadership that he has brought to our Nation during his period of service in the Cabinet demonstrates that he is our number one educational statesman.

I was very happy to have the opportunity of talking with Secretary Gardner and Secretary Freeman about the plans for this symposium. And I regard it as both an honor and a privilege to have the opportunity of participating in this manner in what I believe is the beginning of a significant national dialogue relative to a very important idea.

As I have thought of this symposium and the plans for the symposium, it seemed to me that those of us who have been invited to participate in it are being asked to consider both the desirability and the possibility of implementing a new goal for our Nation.

I believe that this Nation is deeply indebted to the Cabinet committee which has organized this symposium. It is clear to me that the members of this committee agree with the observation by the late Alfred North Whitehead to this effect; "The vigor of civilized society is preserved by the widespread sense that high aims are worthwhile." "Vigorous societies," he pointed out, "harbor a certain extravagance of objectives." I like that phrase.

"Harbor a certain extravagance of objectives, so that men wander beyond the safe provision of personal satisfaction."

Thirty years ago in the city of Washington I was a member of a faculty group associated with the School of Public Affairs of American University who worked together for the better part of an academic year in an effort to identify what we thought of as the basic process of administration of governance.

One of the processes that we identified and discussed was the process of defining or redefining objectives. As a result of 30 years of administrative experience in the field of education and in the field of government, I am convinced that this process of defining or redefining objectives is at the same time one of the most neglected of the basic process of governance and also one of the most difficult of those processes.

Over the years as a Nation, we have received assistance from groups both inside and outside of government as we have endeavored to clarify our national objective. I do not think that there is any process in which we engage as a Nation that fascinates me and challenges me more than this particular process.

The volume, "Recent Social Trends," written 34 years ago, proved of major assistance in the defining of our national objectives in the middle and the late 1930's and extending on into the 1940's.

Likewise, the work of the President's Commission on National Goals, financed by our major private foundations, as reflected in its publication, "Goals for Americans," has been of assistance to us in the 1960's as we have sought to define and redefine our national objectives.

It is of interest to me to note that in the body of the 1960 report "Goals for Americans" are the following observations: "We must remedy," said that group, "slum conditions, reverse the process of decay in the larger cities and relieve the necessity for low income and minority groups to concentrate there."

"In many parts of the country the goal should be a regional pattern which provides for a number of urban centers, each with its own industry, its own educational, cultural, and recreational institutions, and a balanced population of various income levels and backgrounds."

Surely, as we review the sixties to date very few of us are satisfied with the rate of progress toward the achievement of this goal.

In fact, it is interesting and disturbing to keep this statement of a goal in mind and at the same time consider some observations that Secretary Freeman has made in the year 1967.

For example, he calls our attention to the fact that "today 70 percent of our people are jammed on to one percent of the land and the march to the cities continues. * * *"

The Secretary also says that "our metropolitan areas have more people and problems than they can cope with. All around us they are exploding with violence. At the same time many villages, small towns, and their surrounding countryside are being drained of people and economic vigor." Then he asks us this question: "Should we have a clearly defined policy of urban-rural balance or should we let matters drift?"

And then, finally, Secretary Freeman calls your attention to this fact: "There is no national consensus, no national policy for urban-rural balance."

In brief, it seems to me that Secretary Freeman, his Cabinet colleagues, and his colleagues in his own department are convinced that we need a national objective or goal which, if accepted by our people and implemented by concerted action, can result in a far more intelligent and satisfactory utilization of both our land and our human resources.

Now, it is clear that Secretary Freeman and his colleagues believe that such an objective will emerge and be supported if we give serious consideration to the concept of the Communities of Tomorrow—a concept which, as he has already pointed out, asks us to visualize an American landscape dotted with communities that include a blend of renewed small cities, new towns, and growing rural villages. They believe that the implementation of such a concept would make it possible for 300 million Americans to live in less congestion than 200 million live today.

They visualize these Communities of Tomorrow having the following three basic characteristics:

1. They would cover a larger geographic area than today's community, extending in some instances over several counties.
2. They would be natural in their geographic structure.
3. They would offer a wide range of industrial jobs as well as a full range of employment in business, research, professions, and trade and services.

Personally, as I have contemplated this concept in the light of the materials which have been developed in explanation and in support of this con-

cept, I believe that Secretary Freeman and his colleagues are right in concluding that the consideration of this proposal by groups of citizens throughout our Nation can lead to the emergence and support of a national goal that will get us off dead center.

I believe that all of us who are gathered here to participate in this symposium should be grateful to the Secretary and his colleagues for injecting an innovative proposal into the discussion of the crisis in our cities. I believe that we should with a sense of urgency endeavor to translate the proposal into a national goal, should seek to develop widespread support for the goal, and should endeavor to launch a collaborative effort on the part of both the public and private sectors which would result in our making significant progress during the next 5 years in the direction of reaching the goal.

If, however, we are to establish and implement a national goal based on the concept of the Communities of Tomorrow there are certain "musts" we need to keep in mind.

First, we must avoid being bound either by the practices of the past or the predictions that are made for the future.

In an essay growing out of the work of the Commission on the year 2000—Dr. Lawrence K. Frank, the distinguished social scientist and the man who really stimulated the coming into existence of this Commission on the year 2000, makes the following comments on the work of our founding fathers.

"They did not believe that they were bound by existing trends, especially since they were determined to interrupt so much of the customary uses and the prevailing practices of their time. They were concerned with innovation, with the establishment of a new social order and a new kind of government that would express and make possible the attainments of the values they cherished."

It is clear that the concept of the Communities of Tomorrow calls upon us to break with the past, and in order to break with the past, we must break with some of the conditions that prevail in the present, in order to prevent a compounding of the problems of many of our urban areas by failing to take full advantage of the land and human resources that are available to us.

The concept likewise calls upon to refuse to accept as inevitable, for example, the factors that led the Department of Commerce in its publication "200 Million Americans," to say in its section "A Look Ahead," that "there is no indication of a

reversal in the declining trend of population in rural areas."

This concept also calls upon us to approach with an innovative and experimental spirit the development of new kinds of government and new methods for involving groups of citizens in the formulation of governmental policy. Multicounty government can be achieved only if practical plans can be developed for sharp breaks with the past and the present and only if we can accelerate our processes for gaining acceptance of these sharp breaks with the past.

As I read the various recommendations that are made from time to time to deal with some of the great social issues of our day, I am convinced that we seem to persist in wanting to complicate rather than simplify our governmental concepts and processes in this country.

If this concept of Communities of Tomorrow is going to become a practical reality, we are going to have to break with the past and the present and come up with a simplified approach to governmental organizational structure and to processes that we certainly haven't achieved up to the present time.

Then our experiences with endeavoring to attain participation of the poor in Economic Opportunity programs and now in Model Cities programs should demonstrate that these same groups in society should be given a meaningful opportunity for shaping the policies of the Communities of Tomorrow and that unless they are, we are simply planting the seeds of revolt.

We are dealing with this issue in an encouraging manner. There are still far too many among us who believe that it is an issue that can be swept under the table and forgotten. We must break with the past and the present as far as this aspect of the problem is concerned.

Second place, we must make sure that the new national goal that hopefully will emerge from our consideration of this concept of Communities of Tomorrow is not advanced as a substitute for the investment which must be made in education, in the rehabilitation of our metropolitan areas, and in the War Against Poverty in both our metropolitan and rural areas.

One of the tragedies of our day is our unwillingness to make adequate investments in education, economic opportunity, rent supplement, model cities and housing programs as well as in programs designed to bring new jobs into being. Why is it,

for example, that we keep resisting the fact that we must make provision for the government becoming the employer of "last resort" in both urban and rural areas if we are to deal adequately with the issue of providing job opportunities?

Then on top of our foot dragging in these areas that I have identified, the Senate and the House of Representatives will be considering this week a conference report on a new Social Security program which the "New York Times" accurately characterizes as a "harsh assault on the welfare of tens of thousands of the country's poorest families" in both rural and urban areas. How the Congress this year, of all years, can consider approving, for example, a provision that puts a freeze on the ratio of children from fatherless homes who can qualify for welfare in each State is just beyond comprehension. Instead of conveying to the poor a feeling of concern, we seem determined to convey a feeling of hostility by resorting to punitive measures. This Conference Report of the Senate and House that is pending this week has a number of measures in it that can be characterized only in that way. We are fiddling while fires are being lighted on all sides.

A new national goal based on the concept of Communities of Tomorrow will call for heavy investments by both the public and private sector. These investments must be made, however, on top of increased investments in all the other programs to which I have referred. This is clearly a both-and—not an either/or—situation. As I think of the areas that I have identified, as I think of this new concept that is being considered by participants in this symposium, I can't help but ask myself the question when are we going to decide to travel the sacrificial second mile as taxpayers in order to really move forward in dealing with problems that cannot and must not be pushed aside.

Third, we must develop national standards of performance for both the public and private sectors based on the national goal of Communities of Tomorrow.

A generalized national goal or objective which is understood and accepted is certainly a step forward. It will be of little help, however, unless it is followed up by planning programs which spell out specific standards of performance, which must be achieved by various segments of the public and private sectors if substantial progress is to be made toward the national goal over a period, for example, of 5 years.

We can do this during a war period. Why is it that we can't do the same thing when we are engaged in a significant national mission in the realm of domestic affairs?

Fourth the Federal Government must be willing to utilize the financial incentives that are available to it in such a manner as to speed up the development of Communities of Tomorrow.

In a paper prepared again for the Commission on the year 2000, Dr. Harvey S. Perloff, Director of the Regional and Urban Studies Program, Resources for the Future, makes this suggestion.

"Since Federal finance is the key lever in governmental activity, much will depend on whether the national government can change its style of providing grants and subsidies and use them directly to achieve major national goals rather than limited instrumental objectives. An example, "would be the provision of a package of financial assistance * * * in the construction of new communities that meet specific standards of open occupancy, stated proportions of low cost and low rental housing units, and so forth."

This is an excellent suggestion. It is clear that it is one that can and should be applied to the rehabilitation of our metropolitan areas, to the new town concept, and also to the new in-town concept.

But it is also one that could be applied to proposals designed to accelerate the development of Communities of Tomorrow. In fact, it is the only approach that will insure substantial progress over a 5-year period in the direction of a national goal based on the Communities of Tomorrow concept.

Fifth, we must look to business and industry for action that will enable Communities of Tomorrow to expand job opportunities fast enough to hold those now living in the areas and to attract those who desire to move from city centers.

As Director of Defense Mobilization in the early 1950's, I had responsibility for administering the rapid tax amortization program which played such a major role in meeting defense demands during and immediately after the Korean hostilities. We set national goals for various business and industrial areas, goals, which were directly related to our defense program. When a business concern was willing to make a capital investment that would help the Nation move toward a particular goal, we granted the concern in question the privilege of rapid tax amortization. There is no question in my mind that this incentive accelerated by

many years our progress toward the established goals.

Specific national goals could be set for business and industry in connection with a national program for Communities of Tomorrow. Those concerns that are willing to make capital investments designed to help achieve such goals can and should be given meaningful tax concessions.

Such an approach could create in 5 years job opportunities in Communities of Tomorrow that otherwise would take a minimum of 10 years to bring into being.

Sixth, we must enlist the citizens who now live in the areas where the Communities of Tomorrow will emerge in a crusade designed to achieve our national goal.

The Department of Agriculture is correct when it says "an informed and aroused public is a must in building Communities of Tomorrow. It takes private citizens, organized into development groups and working with the areas' municipal and county officials to mount an effective community development effort."

Unless this is done and done with a sense of urgency progress toward the national goal will be very slow. At the end of 5 years, we will still be talking about the concept instead of being able to point to major and significant results.

We can obviously appeal to the self-interests of those who live in areas that will become the Communities of Tomorrow. This alone, however, will not provide the necessary motivation.

We recognize that at the heart of our Judeo-Christian tradition is the commandment, "Thou shalt love thy neighbor as thyself." This commandment, I believe, places upon each one of us the obligation to never pass up an opportunity to help our neighbor achieve his highest possibilities.

Many of the men and women in our communities want to keep this commandment at the center of their lives and want to live in accordance with the commandment. Witness the response to VISTA, to our Community Action Programs.

Our problem as a society, it seems to me, is to give these people the opportunities which they are seeking. And I believe these men and women can and should be shown how participation in a crusade for Communities of Tomorrow will provide them with unmatched opportunities to help their neighbors achieve their highest possibilities.

And once they respond they will once again enjoy that satisfaction which comes only to those

who are willing to lose themselves in service for others. This is the motivation we need.

Finally, we must give serious attention to another neglected and difficult process of administration or governance, namely, the process of communication.

Some who are not connected with Government might allege that Government hasn't overlooked this process. And I would agree with that. Government makes a heavy investment in the process of communication. My own observation, however, growing out of 18 years of service in the Government is that the people who overlook it so often are the administrators. How many times have we heard people who occupy administrative positions say: "We are doing a good job, but not one seems to appreciate it. We have a good idea but no one seems to be willing to react to that idea." They make such comments in such a manner as to lead one to conclude that they feel that someone else is responsible for the fact that people do not appreciate what is being done, that people are not reacting to a new idea. Actually, oftentimes the persons who are responsible for such situations are the administrators.

I know of no group of administrators in Government that has done a better job of recognizing that communication is the responsibility of the administrator than those who administer the Old Age, Survivors Disability Insurance program. The head of that operation in Eugene, Oreg., for example, like the head of the operation in every other community in this country, recognizes that one of his major responsibilities is to bring the people of our community to the place where they understand how the program is operating and to the place where they understand the new ideas that are being injected into the program.

This is one of the reasons why I am so enthusiastic about this symposium. A group of Cabinet officers, in my judgment, had a good idea and they have given expression to that idea in speeches and in literature. But they recognized that if they were really going to succeed in communicating the idea in an effective manner it was necessary to organize a symposium of this kind. I assume and hope that they believe that this symposium should be followed up by a similar discussion all over our Nation. If it is, then we may begin to see a new national goal emerge which is understood and which is supported by our people.

At the outset of these remarks, I noted that a

new national goal could emerge from a thorough exploration of the concept of Communities of Tomorrow. It is perfectly clear to all of us that Secretary Freeman and his colleagues have been engaged in such an exploration.

I am not surprised, therefore, to note that the Secretary has in effect provided us with what at least is a tentative statement of a national goal or objective. Here it is, as set forth in the document which carries the title, "Communities of Tomorrow:"

"To bring into being a new type of community, neither urban nor rural but possessed with the highest values of both, a functional multicounty Community of Tomorrow that blends the economic and cultural opportunities of affluent metropolitan life with the space and beauty of the countryside."

Furthermore, Secretary Freeman and his colleagues have not just been exploring this concept. They have been doing something about making it a living reality.

As a result they can identify for us, as they have, some Communities of Tomorrow that are now in existence. This gives those of us who are participating in this dialogue the opportunity to evaluate what has taken place in these communities. It takes this discussion out of the ivory tower to some extent.

Now we who are participating in this symposium are being asked to give serious consideration to a proposed national goal, to evaluate what has been done, and, if we believe that is a goal toward which the Nation should work with a sense of urgency, to identify the steps that can and should be taken to move the Nation in the direction of the goal.

This is an excellent example of governmental leadership at its best. It is an excellent example of a constructive effort to implement Whitehead's belief that "The vigor of civilized society is preserved by the widespread sense that high aims are worth while" and "that vigorous societies harbor a certain extravagance of objectives."

I believe that the national goal embodied in the concept of Communities of Tomorrow is a sound and an attainable goal. I hope that our Nation, after the kind of dialogue that we have been talking about, will accept a goal of this kind and that we will make significant progress toward the goal in the next 5 years.

Remember, today "there is no national concen-

sus, no national policy for urban and rural balance." This just doesn't make sense. We are being given the opportunity of seeing what can and must be done in order to close this gap. It is always a thrilling experience to be given the opportunity of participating in the development of a new national goal.

PROFESSOR THOMPSON

This is a distinct pleasure, but one which is a little chastening. Popular impressions to the contrary, college classes are not nearly this large.

The tax study referred to was, I hope, monumental in the sense of quality, not just quantity. I endorse the need for, and the timeliness of this conference, emphasizing the national interest and Federal role in the evolving system of cities.

There are, I believe, two roles to be played here today. One is to analyze what is, and is coming to be, and the other is what "ought to be." My comparative advantage clearly lies in the former direction. Others here can better interpret the values and aspirations of the Nation.

I do not take this charge lightly. Those who would alter the current pattern of urbanization need to know how powerful is the current trend toward great clusters of population. Only then can policymakers appreciate the cost and degree of commitment that would be needed to bend current trends into new directions. I will argue, with as much rigor as is appropriate in a conference of this nature, that efforts to dampen the growth of large urban areas and/or to revitalize small places cannot succeed at modest cost or with light commitment, if indeed they can succeed at all.

To the economist, used to working with industries rather than areas, the most obvious major determinant of the local rate of growth in employment and population is the local industry-mix. A national system of cities is also an overlay of a nationwide system of industry location patterns. Let us begin, then, by characterizing urban areas as distinctive bundles of industries and space. We would expect a greater than average expansion of output and in the demand for labor in those areas producing either new products or products subject to "income elastic" demands—income-sensitive demands. New industries are virtually unbounded in potential growth rate in the early stage of the exploitation of a new market; in sharp contrast, mature industries tend to find growth limited to replacement purchases, plus the slow increase of population. Centers of innovation tend, therefore, to be fast-growing places.

Still, even areas specializing in established products may attain average and even above-average rates of growth if their principal exports are income elastic, that is, if a given increase in per capita income leads to a more than proportionate increase in the consumption of their export prod-

Secretary FREEMAN. Thank you, Dr. Arthur Flemming, for a very stirring, very perceptive and very challenging message to us on where we are, where we are headed, and where we want to go.

We now direct our attention to "Megalopolis—Living and Working Space." The first speaker, to be followed by two reactors, is the Director of the Urban Regional Economic Program at Wayne State University and the author of "*A Preface to Urban Economics*." He is a member of the Committee on Urban Economics of Resources for the Future. And if you will pardon me a personal reference, I think he made an even more brilliant contribution in a document that was published about 10 years ago in the State of Minnesota.

I happened to be Governor then and Dr. Thompson came up at my instance on a tax study committee which thoroughly analyzed and reviewed the total tax structure in the State of Minnesota—a monumental report which strongly influenced that State. The format of that study and report was followed by quite a number of States around the Nation.

I haven't really seen him since then, so it is a particular pleasure for me that he is here. He will open our discussion this morning with "Megalopolis—Living and Working Space." Prof. Wilbur R. Thompson.

*Professor Thompson's remarks are from his paper, "Internal and External Factors in the Development of Urban Economies," which will appear this June in *Issues in Urban Economics*, published for Resources for the Future, by the Johns Hopkins Press, Baltimore. Special thanks is given to the editors, Harvey Perloff and Lowden Wingo, Jr., for their permission to reprint here.*

ucts. Few projections of the future are as confidently made as are our extrapolations of the seemingly inexorable rise in per capita income. We have few qualms about projecting a steady growth of population, at about an average rate, in State capitals, university towns, and medical centers, to mention a few more obvious income-sensitive activities. We see in the Detroit area, through the first half of the 20th century, for example, an economy which boomed on the basis of a product—automobiles—which was both a new product and one for which there was an income elastic demand.

Detroit is still growing and probably will continue to grow throughout the remainder of the century, at an average rate, on the strength of the income elastic demand factor alone, now that newness of its product has worn off. We see in the Boston area the way in which a dramatic shift from specialization in an old, income-sensitive product—textiles—to a new growth industry—electronics—could raise the rate of growth in employment and population from about one half of the national rate to near parity.

The large urban areas seem to be in the business of producing new products or income elastic products or both—and I will strengthen this case as I go along.

With rapid growth and large size comes a structural transformation in the local economy that virtually insures further growth at a near national average rate. The simplest, and certainly the most widely appreciated, structural change accompanying large size is industrial diversification. A Chicago or a Philadelphia, with perhaps a dozen or more important current exports, can hardly avoid having some appreciable scatter across the full spectrum of industry: young and fast-growing; mature and slow-growing; and even a few dying industries. So large a sample would, moreover, ordinarily blend an industry-mix of income-sensitive and income-insensitive products. We would not, then, expect the large diversified urban area to exhibit either very rapid or very slow growth. We would, in fact, expect urban areas to regress toward the average growth rate with larger size.

I hope you don't mind if I highlight a few points, because I am trying to make a careful and cogent argument. With size comes diversification and with diversification comes industrial blending and a tendency toward average growth.

But the long view of urban history teaches us that no competitive, small-area economy can stand

pat. All industries are dying, from the moment they are born. An urban area can ensure its economic future only by continually reaching for new industries. Again, who would not extrapolate our current rapid rate of technological change with its implications for an unending rise and fall of individual industries? Five-year projections may be drawn from the prospects of the given industry-mix, but perhaps 10 year, and certainly 20 year, forecasts would seem to call for a theory of local industry evolution.

Consider for a moment the folly of projecting the Los Angeles economy of a few decades ago on the basis of the growth trends in movies and citrus fruits, or projecting Detroit of 1900 to 1930 along the growth curve of horseless carriages. How does one make the admittedly difficult transition from, say, a 5-year projection grounded in the current industry-mix to the difficult business of projecting changes in the industry-mix itself?

Again, great scale would seem to simplify the problem. Suppose stable growth over decades is traceable more to local capability to invent and innovate and/or otherwise acquire new export bases, decade after decade, than it is to the sheer number of exports amassed at any given point in time. Can we establish then that larger places are more than proportionately centers of invention and innovation? Does the metropolis respond well to change originating elsewhere?

Now I engage in a bit of imagery. The true economic base of the great city region is the creativity of its universities and research parks, the sophistication of its engineering firms and financial institutions, the persuasiveness of its public relations and advertising agencies, the flexibility of its transportation networks and utility systems and all of the other dimensions of infrastructure that facilitate the quick and orderly transfer from old, dying bases to new, growing ones.

A diversified set of current exports—breadth—softens the shock of exogenous change, change from the Nation down, while a rich infrastructure—depth—facilitates the adjustment to change by providing the socioeconomic institutions and the physical facilities needed to initiate new enterprises, transfer capital from old to new forms, and retrain labor.

Large places are also better based to adapt to innovations originating elsewhere. With a wider assortment of educational institutions and more

professional counseling, local workers may be more quickly retrained from declining to expanding occupations. Reemployment can often be achieved within the same local labor market, eliminating the very difficult residential relocation characteristic of small places. Finally, in the most general way, urban scale extends the range of consumer and occupational choice consistent with high and rising levels of income and education, luring and holding the more creative and urbane individuals.

To argue that the larger urban areas are more than proportionately places of innovation, and that new products tend to exhibit greater than average rates of growth in output and employment would seem to imply that the larger urban areas attain greater than average population growth. But this is not so. The decennial rates of growth in population since 1940 show virtually no correlation with size—through the range of over 50,000 population. The resolution of this seeming paradox is, I think, simply this: The larger places find their fast growing industry-mix damped by a steady loss of share in these industries, netting out to a roughly average performance.

In national perspective, industries filter down through the system of cities from places of greater to places of lesser industrial sophistication. Most often the highest skills are needed in the difficult, early stage of mastering a new process. And skill requirements decline steadily as the production process is rationalized and routinized with experience. As the industry slides down the “learning curve,” the high wage rates of the more industrially sophisticated innovating areas become excessive, relative to skills needed. The aging industry seeks out industrial backwaters where the cheaper labor is now up to the lesser demands of the simplified process.

The New York study pointed out that New York has lost nearly every industry it has ever had—flour mills, foundries, meatpacking plants, textile mills, and tanneries. More recently, this most dynamic economy has spun off apparel and printing while retaining its share of the higher functions of designing and selling garments, and publishing. Such a pattern befits a high wage, high rent area that can continue to earn these high returns to labor and land, only by ceaselessly exploiting the newest industries during their early precompetitive high price, high-profit-margin stages. In the long run, the larger and more sophisticated urban economies can, of course, continue to earn high wage

rates only by continuing to perform the more difficult work.

A filter-down theory of industrial location would go far toward explaining the lament of the isolated small town that they always get the slow-growing industries. They find they must run to stand still, as their industrial catches seem to come to these out of the way places only to die. These smaller industrial novices also struggle to raise per capita income over the hurdle of industries which pay the lowest wage rates.

Clearly, the twin characteristics of slow growth and low wage rates (low skills) may be viewed as two facets of the aging industry. The smaller, less industrially advanced area struggles to achieve an average rate of growth out of enlarging shares of slow growth industries which were attracted by the area's low wage rates. It would seem, then, that both the larger industrial centers from which, and the smaller areas to which, industries filter down must run to stand still at the national average growth rate. The larger areas do, however, run for higher stakes.

Looking now to the future, are there equilibrating tendencies arising which will slow the growth of the larger places and/or revitalize the smaller ones? Do prospective trends in technology and economic organization favor the larger or smaller places? Let us examine the coming importance of scale—urban population size—with respect to the classic factors of production: Entrepreneurship, capital, labor and land in that order.

The stabilization and even institutionalization of entrepreneurship may be the principal strength of a large urban area. In an earlier work, argument was advanced that a large population operated to insure a steady flow of gifted persons native to the area. A population of 50,000, for example, that gives birth to only one commercial or industrial genius every decade might get caught between geniuses at any time of economic trial—such as the loss of a large employer. But in a population cluster of 5 million, with an average flow of 10 per year, a serious and prolonged crisis in economic leadership seems highly improbable. This is the stabilizing character of large numbers.

On further thought, though, the great viability of the large aggregate of population in a time of quick and sharp change seems to lie even more in the institutionalization of the many entrepreneurial functions. The very large metropolitan area typically hosts a large State university with a

permanent program in basic research and in graduate and professional and continuing education. The main medical centers may grow up to serve population clusters, but the many advantages of scale draw medical research personnel and funds on a continuing basis. As we become more of a service-oriented economy, the city itself becomes the very product which is being redesigned and reengineered—becomes the object of the experiment as well as the “living laboratory.”

And I am talking about the important functions to come. I am talking about education, health, and government, the growth industries of the future. I am suggesting that the big city is preeminent in institutionalized entrepreneurship in these areas.

When we turn to considering the cooperating factors of production, the case for the large urban area does not suffer. Money capital has long been recognized as the most spatially mobile factor. Moreover, the advent of the modern large corporation, financing internally from depreciation reserves and retained earnings and externally in a national money market, further weakens the locational attraction of local capital supplies for the large, well-established, national-market business. The small urban area is, therefore, not seriously disadvantaged by its meager supply of capital funds.

But existing real capital is highly immobile—most often permanently fixed in space. The large urban area has by definition the largest and most varied supply of existing real capital—infrastructure. It is, in fact, difficult to define the boundaries between institutionalized entrepreneurship and capital; consider the case of the university research laboratory, a blend of entrepreneurship and capital.

The local endowment in transportation capital may be most critical in the locational decision of the large multiproduct corporation. Theoretical solution of the least cost location of a multiple-input, multiple-output operation may be indeterminant, but a practical approximation to the best location is to be at or very near a multiple-mode transportation center.

Big cities are transportation nodes (and/or transportation nodes soon become big cities). Expensive, indivisible facilities, such as terminals and yards, give rise to heavy fixed costs that can be borne only when spread over the large volumes of traffic generated by large population centers.

These bigger places tend also to be served both by a number of carriers of a given mode and a number of different modes, to the end that flexibility is greater, risk is lessened, and rivalry insures that much or most of the reduced cost of the volume operations will be passed on to the shipper.

Most important, rapid technological change creates uncertainty. The corporation often does not know what products it will be producing from one year to the next and therefore which transportation modes will best serve it. Changes in transportation technology itself add to the uncertainty. The minimum risk strategy is clear: Locate near a transportation center—hedge. Put your plant on the edge of Chicago, near the beltway, near the railroad, near O’Hare Airport, near the Illinois River. That is the minimum risk strategy.

Turning to labor as a locational factor, the case for the large urban area is again reinforced. With the spread of unionism comes the drive for uniform wage rates throughout the country to buttress labor’s bargaining power. An industrywide wage rate is a big step toward a spatially uniform labor cost, although regional differences in productivity may remain due to regional differences in skill and motivation. But ever more automated production processes probably operate, on net, to reduce the opportunity for variations in worker skill or effort large enough to alter in significant measures the quantity or quality of output.

For workers to quote the same wage for all places is for them to give up all influence on the selection of the place of work. If blue collar, middle income workers should happen to prefer small towns or medium-sized cities as places to live and/or fish, such a preference is irrelevant as a locational factor. What could be most relevant is that the wives of the corporate managers prefer the theater. Under unionism, managers become increasingly free to locate where they would like to live.

Plant location as a personal consumption decision of the head of the business is not a new phenomenon. Many, perhaps most, family firms were initiated in the hometown and stayed there because the owner preferred to live there. The difference would seem to be that the manager, not owner group, now chooses the place to live and work, with income and education, rather than birthplace and family ties, determining that choice.

The declining role of land and the rising role

of access also acts to reinforce the advantage of the larger urban area in the competitive struggle for industry.

A trend away from material orientation and toward market orientation has been noted by a number of observers. Certainly we are all keenly aware of the decreasing share of employment in extractive industries, especially the dramatic decline of the farm share and we are at least vaguely aware that the early-stage, material-processing industries, such as smelting of ore steel, and textile mills are losing share to the later-stage, product-fabricating industries, such as automobile production and assembly, and apparel industries. While the trend to market orientation may well have been up to now largely a result of the shift from material processing to product fabricating within manufacturing, the locational power of the mass market may in coming decades rest more on the coming dominance of the high services. Extractive industries gain from being dispersed to avoid the diminishing returns of very intensive cultivation or extraction, while manufacturing operations, and services even more, seem to experience a rather long stage of increasing returns with higher density.

Manufacturing at large scale requires the assembling of large work forces and the movements of persons (job-commuting) and is, on the whole, more expensive than the transportation of materials of products. But service industries, even more, need to weigh the costs of movement of both the producer (the lawyer, the doctor, the teacher) and the consumer (the client, the patient, students), although these are sometimes substitutive, such as in the "house call." A dense cluster of people—a city—is almost by definition a physical manifestation of a planned arrangement for heavy personal interaction, especially characteristic of the service industries.

Out of all of this I get a very strong feeling for near inexorable urban growth through the population range from perhaps 50,000, and certainly from 200,000 up to 16 million. The New York region becomes, of course, a very special case of growth into a new range with which we have no experience. I do not propose to take on the New York case at this time. I would argue, in sum, that the metropolitan areas of a million or so develop industrial structures which are especially suited to give birth to new industries, and they amass

markets which are especially attractive to the income elastic high services.

Remember now, I began by identifying growth areas as ones having growth industries: New products and income elastic products. I have come full circle now to suggest that the large urban area is especially likely to give birth to new industries and is especially likely to attract income elastic services—high services with their high transportation costs of personal movements. Possessing both kinds of high growth industries, it will be extremely difficult to restrain their growth. And it is far from clear that we should even try to do so.

Now, this was the end of the main body of the paper to which I now add extemporaneously a final page, a final pronouncement. I would like to interject just a note or two that I think I should have had in the main body.

I do not want to become too normative here, but I would like to draw out briefly the social welfare implications of what I have said. Small towns will surely survive for a while, if in no other way than on the hand-me-downs, the cast offs, of the industrial system—the filtering down of industries referred to above.

But I think this poses a very serious welfare problem, to which national policy must direct itself. The farther down we go through the system of cities in industrial sophistication, the farther down we go in industrial filtering, the lower the base of skills and income on which the community must be built.

Low skills, low income and small scale make it difficult to build good public services. I remind you the redistribution of opportunity is achieved largely through the public sector, and we would have impoverished and inadequate public sectors in these small places.

I also remind you that a monolithic, low-skill industry town blocks occupational upgrading on the job. I think that is a serious constraint.

On the other hand, the large urban area, in my mind, offers employment stability by offsetting rising and falling industries against each other. It equalizes bargaining power between the worker and the employer by providing alternative job opportunities.

The case for the union was made originally and most powerfully for the small one-industry town. The large place also offers occupational diversity, which means there is choice, and it also means, as

I suggested, there is a chance for upgrading of the job.

Finally, the large urban area blends talents and backgrounds, and through integration it has the potential to provide leadership and fiscal resources.

In conclusion, let me add a few general remarks. We do not, of course, have to elect to live in very large centers of population merely because they afford us high productivity and income any more than we have had to choose in the past higher income over shorter work weeks and more leisure, although we are not able to make such choices entirely free from the pressures of international trade and rivalry.

But big cities do much more than merely offer higher productivity and income. They offer the challenge of greater intellectual adventure and the fuller expression of ever higher and more specialized education, and rapidly rising levels of education demanding expression is another powerful trend few would deny.

Now as a note, I speak here entirely of the world of work. I leave to others to speak of amenities. And I fully expect to spend an increasing percentage of my time in nonurban areas, but at play.

Admittedly, very large populations imply horizontal reaches of the city, and high density at its nodes. Both the horizontal and vertical dimensions imply a much more than proportionate increase in the role and complexity of government.

For example, increasing public responsibilities for transportation and in the mediation of interpersonal conflicts. The smaller urban place can tolerate an inefficient public sector, but the large area depends on sophisticated public managements.

I don't make light of the difficulties inherent in responding to the crises of local public management, but neither am I sanguine about its obstacles to the path of those who would restrain growth and size in the remaining decades of this century.

Nothing I have said is at odds with colonizing growth of new towns if these places are projected at populations of, say, 200,000—not born at that size, but achieving that size quickly and given room to grow to even larger size.

Nothing I have said prejudices the land use or social or political arrangements within the large economic entities, but I will leave intraurban spatial patterns until tomorrow and to more experienced hands.

Thank you.

SECRETARY FREEMAN. Thank you very much, Dr. Wilbur Thompson. You have surfaced some of the questions that we are all thinking and wondering about.

Now, I will ask Prof. Scott Greer to respond. Dr. Greer has a rich and varied experience in the topic at hand. He has lectured and taught throughout this country—as is appropriate for a sociologist—receiving his education in Texas, having taught for a number of years on the west coast, having served with the Ford Foundation. He is now a professor at a great midwestern university, Northwestern.

He has written a number of books, including “The Emerging City,” “Myth and Reality,” “Governing the Metropolis,” “Urban Renewal in Cities,” and “The Dilemma of Democratic Intervention,” and numerous other discussions of the problems of metropolitan development. He serves as an associate editor of *American Sociological Review* and *Urban Affairs Quarterly*.

I am pleased to present Prof. Scott Greer.

These remarks are a paraphrase of an article to be published in a coming edition of Urban Review and in a volume entitled The Study of the Future edited by Wendell Bell and brought out by Russell Sage publications.

PROFESSOR GREER

Thank you Secretary Freeman. Like most people who are interested in urbanism and urbanization, I grew up in a small town. This made it easy for me to preserve the opportunities and amenities of great cities which Wilbur Thompson has described to us.

I can see the values of the small town arrangement. It is much easier for parents to control kids, as I recall, since the infrastructure of political and familial control works a lot better than it does in a city where parents are segregated from children and the children's school.

So there are distinct advantages to small towns. And we could, as Wilbur Thompson says, intervene. We could redistribute income; we could have a policy that had to do with size of communities for various purposes. If we did this, however, we would still have to face the same problems we now

face as to what we want to do with our metropolitan areas.

As you know, there are people who have a blood lust for the old center city of the 1920's and 1930's, and who see all of the change that has occurred since as essentially pathological in nature. This is the characteristic of change.

If you measure it by what existed before, it is abnormal. There are other people like myself who accept the probability of rather loose horizontal conurbations in which, if we ever finish our transportation planning and construction, it will be very easy to move across from what was once a separate city to another, at a relatively modest cost. Thus we can aggregate an arena that really works. We are not doing very well with this now.

I understand that eventually our Transportation Department will have solved these problems. There are many other problems, of course, and I will not venture into what is called "the metropolitan problem." I just want to talk about these two images of the city, one of which is a recentralization image and the other simply accepts spread and says let's plan for spread and let's think about subcenters.

Now, neither of these is inescapable. Neither centrality nor decentralization is immutable. Centrality is not required; it becomes less required all of the time. Decentralization is not really inescapable if we want to use the public power, if we want to use muscle, but it does mean we turn economic considerations into political considerations. This is what I want to talk about.

A great deal of the dialog between proponents of the two kinds of cities simply rests upon generalizations from past views of one's favorite city.

Happening to like Los Angeles, I am very unfriendly to Jane Jacob's idea of what we ought to do and vice versa. Some of it does rest on major structural variables in the American political economy. These are inescapable from the point of view of those concerned with any specific city; they are not inescapable for the Nation as a whole.

If we state these constraints in another form, they look something like this: If the National Government allows local option in land use, and if it allows private option in location, then there cannot be a local urban policy of land use. This is because the free movement of the factors of production means that the economy most basic in structuring the city is beyond local control. Hence in-and-out migration, basic in creating the city's hu-

man structure, is beyond control and finally, capital for new development and maintenance is also beyond local control.

However, there cannot be a national policy for urban form either. Local option and land use prevents this, and private option and mobility reinforces that prevention.

Given such limits, the most useful image of urban America is probably one based upon the continental nation as the playing field. The given urban settlement is then a specialized part within a grid of locations ultimately determined by national markets and land, labor, and capital. Large-scale organizations, including governmental agencies, are the major players in the game. For this national city there is no national policy. It is a collective output, the result of a great many aggregated, interacting decisions, accidents and what-have-you.

We may note a case parallel to that of urban form in the way civil rights has been handled. If we have local option in the definition of rights and their protection, if we have private options in migration, hiring, lending and selling, then we have no possibility of local policy because of private option, nor of national policy because of local option.

But if we continue the analogy, we do note an important shift when political forces at the national level called civil rights a major problem for the National Government. Immutables get shifted around and changed.

The result has been a decline in both local and private options because of increase in the power of the National Government. If and when the shape and texture of our cities becomes a problem of major national interest, one would expect similar developments.

The given dichotomies of control between local and national, private and public, would be shifted in the direction of increasing national and public powers. For many purposes the corporation boundaries of a given city would become irrelevant and even the metropolitan region would be subordinate to a larger image, that of the continental urban structure.

In an age of instantaneous communication and very rapid movement of men and materials by certain media, the national metropolitan network is as easy to move across as any one of the great metropolitan complexes in itself.

What might a national urban policy look like, supposing we had one? For one thing, it would

certainly handle the question of desirable size at given locations in terms of a wide range of values, or which private profit and civic mercantilism would be only two among many.

It would also deal with the problem of specialization versus given mixes of activity, economic and otherwise, for both the city and the sub area within the city, for both the small town, the small city and the metropolis.

It would make possible a long overdue reform of urban tax structures. It might very well lead to a form of socialization of lands and the abolishing of property taxes.

It would, in brief, allow us to breast the stasis which has left us without the will or tools to shape the communities where most of us are at home. It would, of course, destroy certain myths. One is the belief that urban government is general government, rather than specialized and limited and largely carried on as a voluntary organization. Another is the conviction that inhabitants of a given area have some basic constitutional right to govern themselves. Another is the continuing belief that the city is hallowed ground with reputed immortality.

In other words, we would get busy and liquidate a lot of those basket cases in southern Illinois, and central Oklahoma. These myths—the God-given right to hallowed ground, etc., are esthetic at best; fraudulent at worst. In any event, they result in tunnel vision, focusing as they do on the given concrete sprawl of buildings and activities; blinding us to the vast interrelated network that is urban America.

Until we see this network, our urban renewal efforts, our government reform efforts, our movement for metro-government, our War on Poverty even tend to be—in Norton Long's phrase—"Civic fig leaves, sops to outraged consciences."

Secretary FREEMAN. Now for the final reactor to "Megapolis—Living and Working Space."

The man I am about to present is a Ph. D and a professor. He served in that capacity at the University of Minnesota for some years. He is now a practical practicing politician, in his fourth term as mayor of Minneapolis.

Our relationship—if you will pardon a personal reference—goes back quite a way. Some 20 years ago, give or take a few, we both worked for

another mayor of Minneapolis from whom we will hear tomorrow; the Vice President of the United States.

When I served as Governor of Minnesota, Art Naftalin worked with me as Commissioner of Administration, doing a splendid job and going on to be elected mayor.

So at this time I am pleased and privileged to present the mayor of Minneapolis, Arthur Naftalin.

MAYOR NAFTALIN

Thank you very much, Secretary Freeman.

Secretary Weaver, Dr. Thompson, Dr. Greer, and friends: As you can tell, Secretary Freeman and I have enjoyed a long and warm friendship. We were, as he indicated, associated in State government in Minnesota for a long period of time. We had a kind of Mr. Outside-Mr. Inside relationship, with the Secretary—then Governor Freeman—performing as Mr. Outside and I as Mr. Inside. So, while he was out consolidating the countryside, I was inside cultivating the city. If there is any conflict in our points of view, you can blame it all on him. It was his fault that he didn't let me get out into the country more often.

I do think this conference is a very important one, because certainly anyone who views our problems in America cannot help but feel that the concentration of population in the large urban centers is giving rise to many serious concerns that demand our most careful attention and analysis.

I might say, incidentally, when Secretary Freeman mentioned this symposium to me in Boston last August, I envisioned that there would be about 20 or 25 of us gathered around a table to exchange views and outlooks somewhat informally and that we would not be involved in prepared manuscripts.

He didn't tell me that I would bat as cleanup man after Scott Greer. Had I known that, I would have made a different assessment of the invitation.

I do think that the subject of this symposium is of critical concern, and I should like to note several things about it.

First of all, as we view the need for a national policy, I think we should note that there is at this point no conflict or disagreement over values or goals.

We can quite fairly and properly say that—whether our orientation is rural or urban, whether it is small-town or new-town, or whether we are advocating some kind of “back to the land” policy—all of us are seeking a livable environment and all of us are seeking a national policy that will make it possible for every citizen to be fully productive and to have a meaningful role in society and in the economy.

We all deplore congestion and pollution and we all favor maximum utilization of our resources. It is important that we be clear about this, because it would be most unfortunate and self-defeating if ideological differences were to divide us, with some taking a pro-city position and others a pro-country position.

As other speakers, Dr. Flemming and Dr. Weaver, in particular, have suggested, the urban and rural components of the problem are interrelated. In discussions of this type there is a tendency to obscure this interdependence and, also, as Wilbur Thompson has made clear, to over-emphasize the deficiencies of the urban center, because they are more apparent and more visible, and tend to be with us so closely all of the time.

We could review again that long list of urban ills, but I will not do that; we are all familiar with it. But we should stress the point made by Dr. Thompson, that the large concentration of population and economic resources in the urban center give rise to enormous strength and vitality, which is ultimately the source of our social strength. We need to raise questions concerning size and scale, because they bring us to the central point of whether it is size that creates the problems or whether it is neglect—bad planning or the absence of planning or our failure to understand what is happening to our institutions and what those institutions are capable of accomplishing.

I think this is the critical question. This is the point to which Wilbur Thompson has addressed himself when he describes, for example—to use his key phrase—“the coming importance of scale.” By this he means, of course, that we achieve higher productivity and greater social efficiency when the scale of urban settlement increases. I hold the view that our failures in the metropolitan area are due not to deficiencies in scale but rather to our failure to understand the potential inherent in increasing scale.

In the law enforcement field, for example, in my seven-county metropolitan area with its popula-

tion of 1 $\frac{3}{4}$ million people, our problem is fragmentation and wide disparities and great inequities among the municipalities and counties that cover the region. What we need in law enforcement is similar to what has been done in aviation and sewage disposal, and that is to recognize that we are all part of one large organic area whose very scale makes possible effective planning for the entire area, if it is approached with the largeness of potential in mind that the size of the area's population affords.

There is enormous potential in my metropolitan area, as there is in all of the metropolitan areas over the country—enormous potential in educational opportunity, enormous potential in the wide-ranging specializations that a highly diverse urban population makes possible, enormous potential in the tax base afforded by a larger region as compared with what is possible in the competition among the fragmented parts. Large scale, if understood and utilized, makes possible great and constructive possibilities.

The importance of scale can be seen by examining the great success of the corporation in America. It is the discovery and appreciation of scale that has given the corporation its strength. Certainly this cannot be denied. The corporation derives its great productive strength from its capacity to interrelate many different specializations in a single coherent pattern, and such interrelationship is dependent upon large scale organization.

The same thing is true of the large university. Its very size makes possible the gathering of many specializations, from which derives the progress of research and the expansion of knowledge in technology and in the physical and social sciences.

As we view urban growth we should have, I believe, clearly in mind the fundamental importance of the specialization of labor as the rock upon which the industrial society has been built.

This is a point that I am sure is obvious to all of us, and yet we may not appreciate fully its relevance to urban growth, the fact that so many people are moving to the cities because they are propelled by profound economic imperatives, one of which is the specialized character of the skill they have to offer the economy. Thus, as I see it, Mr. Thompson is saying that we need to confront realistically the fact that our economy is so largely dependent on the specialization of labor, which gives rise to industrialization, and, as Mr. Thomp-

son points out, industrialization feeds on itself, because, with each new technological advance, new industries are created, establishing the demand for new adaptations and new skills and a further need for specialized talents.

Thus, as time goes on, and as specialization, industrialization and mechanization intensify, the need for human beings with highly individualized capacities continuously increases and these capacities become productive only when joined with other specialized capacities, involving interdependent and face-to-face confrontations, and these, of course, are possible, in any significant way, only in the city.

Now, if we are going to reverse the pattern of urban concentration, it will be necessary to do something fundamental with respect to these underlying imperatives and determinants. I don't say that it is impossible to modify the trend, to slow it down or change it qualitatively. Sometimes people come to the cities in despair and desperation, without training, without preparation, and such movements can be affected by policies of social control.

What I argue for here is awareness in sufficient depth so that we do not confuse the different kinds of movement to the urban centers, those that involve people seeking constructive outlet for capacities that cannot be productive except in the city and those that involve people who are simply transferring their lack of capacity from the farm to the city.

We must understand clearly that it is the underlying economic structure that gives rise to urbanization and the movement to the city. I was impressed with Dr. Weaver's comment that the more urbanized we become, the weaker our capacity for self-sufficiency. This is a concomitant of specialization—the more specialized we become, the more dependent we become upon each other and the more we find it necessary to seek each other out as members of a larger family.

I should say next that I think we are agreed that we need a national urban policy. It must be apparent at this point to every intelligent person that the absence of a national urban policy prevents us from dealing effectively with the social turmoil that has so unsettled the Nation.

I believe such a national policy should have several major components.

It must, first, provide for the reconstruction of our existing cities; the Model Cities program is

one major effort in that direction, a demonstration program to help communities reconstruct and redevelop one major neighborhood. A national urban policy must provide for the reconstruction of existing cities because they and the metropolitan areas of which they are a part are going to grow larger. We will not reverse the trend of urban settlements sufficiently to modify that basic factor. This means that reconstruction of our cities must be the first step in a national urban policy.

Second, it is imperative that we experiment with and build new towns and, as we do this, we must relate such new developments to the Nation's aggregate social and economic pattern to make certain that the new towns play their proper role in a balanced society.

Third, the policy should provide for revitalization, expansion, and new growth of many of our existing small towns.

And, fourth, the national urban policy should also provide a "back to the land" component for individuals and families of special interests and capabilities.

In each of the four components the objective ought not to be a particular geographic orientation but rather the development of larger opportunities for employment, for training and education and for the elimination or reduction of congestion, pollution and other harmful effects of urban concentration.

A national urban policy ought not to favor one side or the other in a presumed urban-rural conflict; it should rather seek to maximize national potentials in national terms. We may very well decide, after viewing all relevant factors, that the ever-larger metropolitan center in itself may not be the villain but that the main objective should be to overcome the neglect that has characterized metropolitan growth.

It is altogether possible that our technology can operate effectively and efficiently in the large metropolitan framework, but we need to turn our attention to a more careful management of the problems that arise in this context. We need to find ways, as Arthur Flemming and Scott Greer suggested, to counteract their excessive fragmentation.

We need, as part of our national urban policy, to liberate the urban centers, to permit new zoning arrangements, new technological adaptations, more flexible procedures in training and employment, more rational patterns of business development, and more venturesome and bolder approaches

to the reconstruction of our older cities, the building of new towns and the revitalization of existing small towns.

We have not yet undertaken a serious attack on our urban problems. The States have been locked in resistance because of primitive notions about States' rights. Cities have often been defensive against the suburbs and suburbs often defensive against the central city; counties have sought to preserve themselves against an uncertain future, and the National Government, trying to respond, has given indispensable but sometimes misguided support on a scattered project-by-project, program-by-program basis.

Now we need a comprehensive new approach and I hope this symposium is a beginning in that direction. We are asking here today, what are the problems that confront America, what has caused them, and can we, by directing the settlement of people, make an impact upon their solution.

If we join the resources of the departments represented in this symposium—Agriculture, HUD, HEW, Labor, Transportation, and Commerce—and if we honestly set aside our differences with respect to program orientation, I believe we can begin to develop a national urban policy.

It is desperately needed, and in support of that need I speak as mayor of a city—a city, I might add, that does not have a high degree of social disorganization but does have all the problems that major cities face throughout the country. We have the full range—from congestion through insufficient education, from pollution through race discrimination. We are hampered by the lack of an effective governmental structure and by metropolitan fragmentation in our efforts to evolve programs that will enable my city and my metropolitan area to deal with our problems. We need the direction and reenforcement of a national urban policy.

In summary and in conclusion, I should say that Mr. Thompson has identified a central point—that what happens in our communities is largely dependent upon the form of the economic structure and if we are going to redirect the forces shaping our cities, we need first to understand the enormously productive energies present in our economy and we need a clear view of the goals and values that must guide us. We must set aside preconceptions and assumptions that propel us in one direction as against another until we more fully com-

prehend the strategies that will effectively serve the goals we seek.

Thank you very much.

Secretary FREEMAN. Thank you, Mayor Naftalin.

That concludes the formal program but we have a few moments.

I would like to take advantage of this time, because there are so many of you who are not on the program, yet who have a great deal to contribute.

Would anyone here like to comment on what has been presented here this morning, or direct a question to anyone who has participated?

QUESTION: My name is Byron Johnson, of Colorado. I would like to respond to Secretary Flemming's comment about the use of tax incentives during and after the war period, and to suggest that the investment credit policies we now have are perhaps a tool that could be modified to encourage the growth of developing areas, or growth areas, as they have been referred to here this morning. I would also suggest that I am not one who is prepared to abandon those cities, which are perhaps at the moment, in depressed areas. These represent not only a cash investment of generations gone by, but an emotional and psychological investment. Even though I am also by profession an economist, I am prepared to admit economists must permit these noneconomic considerations to influence their judgment.

Therefore, I suggest that the Secretary of the Treasury be given the power to classify cities in accordance with the degree of labor surplus, for example, or to classify certain cities as growth or development areas, and to give corporations a differential rate of investment credit ranging, let's say, from zero to 10 percent, recognizing that as these areas do grow, or the labor surplus diminishes, that the tax rate advantage would disappear.

I was a member of the House Banking and Currency Committee when the Area Redevelopment Act was passed. I had grave doubts that we could, by direct Federal administration of grants in aid, or by direct Government loans, make possible the kinds of redevelopment as easily as we could if we used incentive techniques within the framework of the tax law such as I have suggested here, or as

we could do with similar incentives in the framework of the Federal Reserve System.

There is no particular reason why banks must clear their accounts with the Federal Reserve every week or two or three. If these banks in depressed or growth areas remain in debt to the Federal Reserve—because of making favorable loans for growth and development of employment opportunities in such areas—it would seem to me perfectly proper for the Federal Reserve to permit the banks to remain in debt, and indeed for the Federal Reserve also to make available a favorable discount rate, or rediscount rate, to such banks in order that they might expand credit on favorable terms, again withdrawing the special advantages as the growth or development areas reach the point where there is no longer a labor surplus, or as their growth is assured.

It seems to me that these incentive techniques (and this second one would be available, I suspect, without even a change in existing law) would be immediately available; they would use the commercial financial institutions extant in the community; and they would avoid the annual wrangle which I find no fun, either as a bureaucrat or as a politician, in getting authorizations and appropriations approved.

Secretary FREEMAN. Thank you, Mr. Johnson.

Secretary WEAVER. The only thing I wanted to point out, and any one of us could say this, is that as Mr. Johnson probably knows, I am sure, and as many of you know, there has been a great movement in the Federal Government toward trying to identify potential growth areas, and trying to concentrate assistance—not only for economic development, but for other things that make communities viable—in the growth areas, rather than dissipating them indiscriminately, where they will not have any impact.

So that part of it already is part of Federal policy. The other aspects of it are something I would defer to the Treasury Department. I have troubles enough with them without getting into that.

QUESTION: I would like to ask Mr. Thompson: We hear a lot about economies of scale involved in density. On the other hand, we talk about pollution and so forth. So we imply there are a lot of social costs involved.

I wonder, if you really compare the social costs

against some of the economies of scale, whether we really have that much economy of scale. I think some of the European countries are looking at their problems right now, about the size of the metropolitan area that they would like to have, and they are taking a somewhat different tack, and saying; "there is a limit to economies of scale, we are not able to exactly measure what they are, but we do have some idea that there are a lot of social costs involved that we are not—that we have to pay for."

So, therefore, in limiting the size of the cities, we may be able to avoid some of these social costs.

Dr. THOMPSON. My first response is: You would be surprised to see all of the nice points that time forced me to cut out of my statement. I would have liked to have talked to that. When a manufacturer chooses to locate in Chicago, it is quite true that he reaps most of the benefits of being in Chicago but does not have to pay many of the social costs he helps create. He does not pay the full marginal social costs of a little bit more congestion.

There are two points that I will make quickly. One is, I leave until tomorrow intra-urban spatial arrangements. I think I would argue that Chicago will grow to a population of 16 million in the next years, but 16 million people could be arranged over a 100-mile commuting radius better than the present 8 million are now arranged, eliminating some of the social costs.

The second point is that I am also aware that when a manufacturer sites his plant in a small town, he creates social costs if he locks the coming generation into a poor school system. So it is a mixed picture.

QUESTION: I would like to make a number of points, particularly relevant to the discussion by Dr. Thompson. My name is Timken, from the University of Illinois. I was a large-city boy who is now much happier in a smaller community in low-grade industries like education. But, more seriously speaking, there are a number of problems here that are not being faced which I think need to be.

First, the idea that there is a separate urban problem. The fact is that if you take the city of Chicago in relation to water supplies, the city of Chicago is the major agent affecting the entire Great Lakes, especially Michigan, and the entire Mississippi River.

It is not a local problem, and the separation of the urban problem from the national problem is a very fallacious answer indeed. Your point originally in your introduction, Mr. Secretary, is not only right, it is indispensable on this.

There is no urban problem. There is not a separate urban problem. The second point which brings up the same scale is the question of competitive advantage. I have dealt with this problem in my own work over some years, and I am much more impressed with the differential placement of such major Federal investments as a locational factor than I am about the communications advantages of the city per se.

I think the correlation between the placement of the major Federal investments and growth, for example, in California is the most impressive factor involved. Now, the third point is this question of critical scale. There is a confusion here of very great importance, and that is between the total population engaged in an activity and the functional establishment.

Actually, the general manufacturing establish-

ment in this country has an employment of around 250, give or take a certain amount. It is not such a dominating single factor as would be represented if you take the entire complex involved in a certain industry.

Actually, the university is no longer a functional unit when you reach 30,000 and more, and I know that from my own experience. What it becomes is a loose congregation of functional units of about 5,000 to 10,000 at most.

Again we have a separation, because these functional units can be much more efficiently disseminated than concentrated. Finally, in this same connection, there seems to be an ignoring of the advantages we have in national communications systems, data processing and other things.

It is perfectly feasible to tap the entire knowledge of the country anywhere you want to as long as you have adequate telecommunications and computer inputs. And I think that many of the constraints that have been visualized belong much more in the thinking of the 19th century than the technological potentialities of the 20th.

NOON SESSION

December 11, 1967

SECRETARY BOYD. Good afternoon, ladies and gentlemen. The morning has been spent in starting the motor, shifting gears, and getting underway. We now move into the high speed element of this symposium. And in order to give you some of the speedometer readings, to indicate how much fuel is left in the tank, and what the road signs seem to be saying, we are indeed fortunate in our luncheon speaker this afternoon.

This quote will suffice as an introduction: "Her *forté* is the ability to simplify a large and elaborate theme without oversimplification, to explain without explaining away; the ability to reduce a vast tangled historical, political, and economic canvass to dimensions which can be grasped by the lay mind."

I should add "and to project the thoughts of her readers and listeners into a stimulating, awesome, but nonetheless manageable future."

She is on the staff of the "Economist" and teaches at Harvard. It is a pleasure to introduce Barbara Ward, Lady Jackson.

BARBARA WARD

Mr. Boyd, virtually the entire members of the Cabinet, and friends, I hope you realize that what we have been fixing up here at our table is the whole of next year's policy for the United States. And the role of urban balance is right in the middle.

I must say I am extremely honored to be here to talk about this question, because not only is it a crucial one in the United States; it is quite clearly crucial all around the world. Urbanization is one of those mutations in human history in which we leave one way of living behind and move on to live in a quite new form of society. And we are in the middle of the process.

One of the excitements, and also the awesomeness, of the present position is that we are, I think, about to make yet another quantum change. With the coming of the full use of computers, with the probably almost unlimited unleashing of energy, which will come from the breeder-reactor, with the education explosion following our new methods of information, we are planning for a city whose outlines we can barely see.

This complicates planning, obviously. But at the same time it should give us a feeling of the open-

endedness and the excitement and the possibilities of a future which is about to unfold in a whole set of new and unexpected ways.

The importance of what America does is that it is the lead sector of this new kind of society. What you do and do not do here will have a tremendous effect on what people can and cannot do elsewhere. Moreover, there are resources here on an incomparable scale for any action society is prepared to take. So if you would kindly for a moment regard yourselves as the "lead sectorians" of the lead sector of humanity, it will give you a comfortable feeling about yourselves and at the same time give a perfectly realistic sense of what this conference is about.

So, fellow lead sectorians, I think the first thing we should say is that we are in the middle of something that was never meant to happen. If there is any one thing that is true about the modern city, it is that nobody intended it. It happened in a way that suggests the degree to which, until men think about what they are doing in their urban environment, they can have very little control over it.

The modern city is a function of the technological revolution—forgive a little history for I suspect you know all about it. The city is shaped as it is because industry for the first time brought man's work out of the fields into the towns. Then modern transport enabled men to escape from the worst consequences of that work in terms of congestion and pollution. Thereafter the invention of the automobile added to the congestion of the city without basically changing the city itself. And this in turn has helped to turn the city, which was traditionally a settlement, into the center of a whole system of would-be mobility—movements of people, of markets, of ideas—all of which have a solid, static, physical built-up entity at the core of a whole series of mobile needs.

All of these changes, all round the world, are producing crises in the city which have a family resemblance. If we take the center city, it tends to be so overloaded, either by our lemminglike movements to and from work, or by the congestion of those jammed into the old working areas, that there seem to be only two alternatives. One is bring in the roads and the parking lots so that people can come in more freely. But in that case, there is no center city at all—which happens in some people's favorite cities like Los Angeles. The other possibility is to refuse to give over 70 percent of the center city to concrete and asphalt. But in that

case, nobody moves at all. In fact, I was rather worried when Secretary Boyd talked about getting into our motor car and going into high gear. We may merely move rapidly into the next traffic block—a more normal experience in the metropolitan areas.

This failure of central mobility in the urban system is coupled, in many societies—and to a tragic degree in this society—with the fact that the rundown central city, usually a direct legacy from 19th century industrialism, tends to become a pit of misery and neglect. The great freeways that often branch through and over it do not let the slum dwellers escape. They only increase the decay and congestion. Here, all too often, the inhabitants are so immersed in a culture of poverty, that the cycle of poor opportunities breeds ever weaker responses and perpetrates ever greater difficulties of breaking out of the trap.

These conditions are not, of course, new in history. Anyone who reads the novels of Dickens will realize that a century ago the whole of the London dock area along the Thames was the same. But we were more fortunate than you. We had Hitler's help in getting rid of these appalling ghettos in London, something for which we should perhaps be grateful to him. Unfortunately he did not bomb our industries, too, and that is one reason why we are in some trouble on the industrial front. Other cities in Europe showed this strange "good fortune." Part of their debris of 19th century industrial conditions was removed by "force majeure." I am not of course suggesting this as a method of urban renewal. It is only a reminder that some hangovers from the 19th century urban system deserve obliteration by the quickest route.

Then, as the city spreads out and out, we reach another range of problems in the thinned-out suburbs. Someone once remarked that while you may die of cultural starvation in the ghetto, vitamin deficiency can undermine your health in the suburb. The one age group, one class, one income, one race, almost one-sex communities are, no doubt, a caricature of suburban living. But the long journeys of the commuting father and the marooning of mother between housework and carpool tend to reduce the quality of living and the range of choice people seek in coming to urban areas in the first place. One should not exaggerate. These are not crying evils like the ghettos—but they are not the full promise of "urbane" and "civilized" living either.

Besides, they contribute to another evil, the fact that conurbations and urban spread destroy the possibility of the nonurban and with it, some of man's greatest opportunities to enjoy contrast, unpredictability and refreshment. How, in a world without shock and difference and untamed being can man fully realize Whitehead's ideal of "a certain extravagance of objectives?" How can he nourish his imagination sufficiently to achieve them? "Extravagant objectives" are the great spurs and stimulus to the future, but they do not emerge from tired and restricted minds. Mind you, I am not suggesting psychedelia for all at this point. I merely meant we must keep the ideal of "man far surpassing man," to use Pascal's phrase. But the sense of choice that underlies creative freedom must be limited if one city splurge meets another city's sprawl, and between them they wipe out the nonurban, and with it all sense of contact with the unchanged, uncontaminated, uncontrolled natural world. The need for this contact is felt by a great mass of people judging by their incredible efforts to reach oceans and mountains and forests. You have to sit for 5 hours going 2 miles an hour on Sunday night on the way back from Brighton to London to realize what price people are prepared to pay to get a whiff of the sea. What they get in fact is a whiff of petrol. But what they try to get is that vision of "the moving waters at their priestlike task of pure ablution round the earth's human shores." True Keats could not foresee Torrey Canyon, or realize just what scale of pure ablution we may need round our human shores in these days of the monster tankers. But what he and so many of our poets and painters have expressed is the feeling that unpolluted nature with its life and freshness is something we desperately need for spiritual nourishment and sanity. The city alone does not give it, but a proper balance between city and countryside is precisely what has sharpened our sense of both. Now, however, having given us the taste for both and the chance of realizing a richer "amphibian" life, the city grows to defeat it. All around us, clear over into Russia, we encounter exactly the same problem. For example, in the 1930's, the Soviet Government decided that growth should be restricted in every main Russian city and should stop in Leningrad and Moscow because they were already too big. Since then, every one of them has become four or five times bigger and are still spreading outwards. To this sprawl, they are now going to add motorcars. Now there is

a lot of countryside in Russia and I am not suggesting it will run out. But will they be able to reach it? May they not rather attain the ultimate bourgeois satisfaction of sitting in traffic blocks, breathing in the polluted air from the car in front? If that does not make them bourgeois, I am at a loss to know what will. They are on the way.

This complex of city problems is universal—the problem of unworkable scale in cities that just grew, the problem of immobility and frustration instead of the promise of change, the problem of radical despair among a strong minority who are left behind and whose condition is growing worse. Of course, there are many others—problems of metropolitan government, of urban tax systems, of employment that moves while workers do not. But the fact of a crisis is what we have to establish. And this fact is clear, universally clear.

So, what can be done? Perhaps we should be encouraged by the fact that we feel we need to ask. Before we have established that we have a problem, we can hardly begin to ask the right questions. It has, I think, been an important breakthrough in that we have started to look at the whole issue of urban-rural balance as a major theme in the life of modern man. And perhaps the timing has been right. Even if we feel we have lost ground before the exploding cities in the last decade, we might not have had the same sense of being able to deal with their problems if the crisis had impinged on us sooner. And nothing is more discouraging than to have a problem and feel that nothing can be done about it.

This is where I come back to the fact that we are on the verge of a new stage in our technological revolution, the computer revolution, the energy revolution, the revolution above all which will transform education, permanent education, into a way of life. These changes make it possible to look at our urban future in a way that would hardly have been conceivable even 5 years ago. It may well be that the crisis and the instruments for dealing with the crises have arrived together.

Some of these instruments are, inevitably, ideas. I would like to take up two or three concepts that are beginning to come to the surface in Europe and which seem to me to have a general significance. We can begin with the idea that excessive growth in very large cities can best be controlled not by any rigid attempt to set limits—one recalls Russia's failure—but by seeing them as part of an interdependent system of forces—economic, social,

geographical—in which their growth is determined by pulls and pressures and counterpoises in other parts of their system. Cities belong in a sort of magnetic field in which growth in any one part of the area can act as a counterpole to growth elsewhere. You check expansion not by stopping it but by attracting it to other centers.

Let me give you an example of this. In southeast England, if we had no plan at all, the next 2 to 3 million people would all go and live in the London area. You can hardly live there comfortably now—for all the reasons of congestion and sprawl we have already discussed. Another 2 million might lead to complete breakdown. We must, therefore, find some coherent method of dealing with southeast England. The concept of the interdependent urban region has therefore been more or less extended to cover the whole area and at least three counterpoles of growth are under discussion—to the north at Milton Keynes, to the west at Swindon and a larger center to the south in a new Southampton-Portsmouth system. Each are in areas already showing some tendencies to growth, some attraction to industry, some drawing power for people. These will now be encouraged and used to offset the “sucking pull” of greater London.

The French are showing the same policy for Paris. The Paris region is going to be only one beside seven other “growth areas” in France and its own expansion is to proceed in an orderly way along two sides of the Seine Basin with lateral access to open land. Both these approaches underline the necessity for a national strategy. However, England is only the size of Wyoming; so it is a little easier for us to have such a national approach. My guess would be that in the United States you would have to have regional strategies as part of a national strategy. So would Europe. When we get into Europe—which will not take too long, mortality being what it is—we shall have to relate southeast England to the urban region developing from Paris westwards towards the Rhine.

A regional plan does not exclude policy for the smaller units. In the plan for the Seine Basin, for instance, local communities will be linked by rapid transit to Paris, so that they can use Paris facilities. But in terms of industrial opportunities, educational establishments, research units and entertainment, the subsidiary communities will avoid the overly derivative quality of suburban

living. One can also argue that the same principle—of preserving independent quality and diversity in subsidiary communities—can be applied all down the line, within the new cities as well as between them. In Milton Keynes, for example, the six or seven small towns which will be absorbed are to be kept not as suburbs but as lively subsidiary communities with local industry, colleges, centers for recreation and the arts.

Dynamic relationships of this kind—between and within the constituents of the whole urban region—depend directly upon the dynamism of the transport system. Here we meet a new concept—that the region should be a rational area of transport choice. Such choice is lessened if there is one policy for the air, one policy for the roads and another for railroads, especially if they are at each others' throats. The aim is to look at movement in the region as a whole and give people as much rational workable choice as possible. Comfortable and really rapid transit between the centers of high activity lies at one end of the scale, malls and parks where people can actually walk at the other. Programming aims at a balance between public transport and the use of the private car, which does not unduly subsidize the one nor unduly depress the other. Road plans respect neighborhood values and do not gash and hack at local communities, particularly poor communities, with a gross and hateful indifference for the lives that are uprooted to take 5 minutes off suburban commuting time. All of these develop the idea of transport as the breathing system, the bloodstream, the system of choices which support and nourish the whole urban region.

To return a moment to the smaller communities, thanks in part to the slum clearances of the thirties, thanks still more to Hitler, we have not quite America's problem of obsolescence. But I think we do have some relevant experience to offer. One is the principle that housing must be part of a wider community program. We should not just put up "housing." We have to try to relate housing programs to a neighborhood policy in which people are seen not simply as homemakers but as workers, consumers, learners, travelers, idlers, worshippers, all with different but overlapping needs. And an interesting byproduct of this approach which has come to light in Britain's New Towns is that if a government proceeds to build not houses but communities, the program ceases to need subsidies and begins to pay its way.

The variety of services which can be charged, the commercial opportunities that can be sold or rented offset the cost of probably balanced housing. Every single new town in Britain has made a profit in ordinary commercial terms. In short, a new town is not only a good idea; it is also reasonably good business.

However, at this point, I would want to enter a caveat. To say that housing policies may be more effective within a "new town" approach does not mean that nothing can be done until plans for whole communities are ready. I think our experience after the bombing is relevant here. We learnt then that we had to do two things at once. We had to build new communities. But we also had to make an instant gesture of hope and comfort to people who were desperate. This immediate response took the form of crash repair programs and of temporary housing put up on the bombed sites. Thus, while waiting for the really new home in Harlow or Crawley, families had mended roofs and repaired water systems and cleaned up streets or prefab bungalows to tide them over. I wonder whether, in dealing with the ghetto problem, this balance between the temporary and the permanent might not be worth examining. For instance, in Detroit, with a ghetto of half a million people, it is no good telling them that they are to have a brand new city. They know that will not happen for a long time and in the meantime, there is another hot summer to live through. The credibility gap is too wide for any promise of future building to bridge it. But suppose, as in Britain in the aftermath of the bombing, people were given some immediate proof that change was on the way. In one sector, the houses could be judged keepable, say, for 5 years. At once, however, walls and roofs would be mended, rats eliminated, a new water closet installed and the streets cleaned up. In another sector, there might be 10-year houses which would rate a new bathroom/kitchen unit. Elsewhere, a 15-year base of life might warrant a subsidized loan from a local bank for larger rehabilitation. All this work might be done by local unemployed under expert guidance. Then, the time gained could be used to build a variety of new communities—including possibly a whole new city at Lake Huron—so that as the time span of each sector of houses ran out, there would be a choice of new locations. Meanwhile, credibility would have been restored by the evidence of immediate change and, for the workless, immediate work.

Linking a program of change through time with the coming into being of new resources is something we did learn in Britain in a clumsy way after the bombing. One of the ways in which hope comes back is by people being able to perceive a threshold in time in which they can believe and which is linked to change occurring now. One can believe in jam tomorrow if there is at least half a muffin today.

The last point which I have time to suggest is not a new concept. But its urgency is new. Possibly it is felt more strongly in my own country for we crowd over 50 million people into the equivalent of Wyoming; so we are as it were a little dense—you may say in more ways than one. Anyway, our density of population is a fact and we are still growing. So the risk of seeing the nonurban environment, the singular beauties of our cultivated countryside, our few remaining wastes and heaths abandoned to the bungalow creep is acquiring a quite new importance. The reaction is an attempt to formulate a policy of preservation in perpetuity. Areas of great natural beauty, land with high value for farming must be given absolute protection. It is almost as though we had passed from the medieval walled city tightly protected against its wild environment to the walled countryside tightly protected against the urban sprawl.

The "walled" areas are those which for the nation, for the future, for the urban generations, must be preserved. When we say "preserved," the control goes quite far. It means supervision of all types of development. Not only the marauding subdivider but local landowners and farmers have to show cause why they want to build and to build only what is consonant with the landscape. In fact, we accept our rural inheritance for what it is—a highly productive work of art—and preserve it as such. Of course, this supervision does not mean that different types of farming will not be possible. It does mean that farmers will not give way to light industry. Land use will not change in these areas.

In the basin of Paris I believe they are reaching similar conclusions. The whole effectiveness of an interconnected urban region depends upon avoiding a steady silting up of the area by indiscriminate growth of a suburban, semiurban sprawl or spread between the lines of communication. The town plan of Stockholm aims to keep forests and lakes accessible but unspoiled between the satellite towns. The Germans, having been a highly de-

centralized country, with enlightened grand dukes to give them parks, operas, and other such agreeable things, have in fact inherited a measure of decentralization; the Ruhr was a model of urban-rural balance when Britain's Black Country had already become what its name implied—an industrial desert. In America, you have not yet found the substitute for the grand duke. Undoubtedly, you have vast reserves of unspoilt land. But the areas are running out in easy reach of the cities. So you too have to ask whether laissez faire in land use may not produce dehumanized conditions of life and work and leisure.

This question of a needed urban-rural strategy is all the more urgent in view of America's certainty to grow by another 100 million people in the next 35 years. Europe may increase by about as many, in fact by more, if General DeGaulle has his way—though he would, no doubt, like to see the growth only in France. But the evident need for a strategy does not of itself answer the question whether we can actually and effectively have one. I have spoken of new concepts and new ideas. But these are not of themselves, operating policies. Before they can become effective, there are three other questions to be answered—can we plan at all, given the complexity of the urban problem. Have we the political tools for planning? And have we the resources to turn the plan into fact? On the first issue: Can we plan, it is here, I think, that a genuinely new factor has emerged in the computer. In the old days, if for instance you did a traffic survey in Philadelphia to guide you on the future location of main routes, the figures would come in traffic flows and so forth. Then it would take 10 statisticians working 10 years to analyse the figures, by which time traffic patterns would in any case have changed totally. Thus, actual mental and physical inhibitions limited what could be done in the way of extrapolation. What happens now? You feed the figures into the computer and get 10 alternative answers in 10 minutes. What has happened with the new techniques is that not only can we extrapolate speedily and accurately. We can vary the mix, change the variables and present communities with different possible pictures of their own future.

In the Detroit metropolitan plan, these procedures are being used. The starting point has been to pick some of the major, given facts of the region—the transport lines linking it with the whole of the United States—the lakes which presumably

are unlikely to be moved, although they might be cleaned up, heaven knows—the line of the river, present urban concentrations, major centers of learning and areas of natural beauty, the present distribution of industry. Incidentally, one reason why this plan was proposed in the first place was because the directors of the local power company, the Detroit Edison, decided they could not sensibly make a power line projection and plan for the year 1980 unless they knew something about 1980's likely distribution of population and industry. Then the planners added a series of extrapolations from present trends—growth of population (another 12 millions by 1980), direction of land sales and subdivisions, density trends and so forth.

Into this basic mass of information were then fed a whole range of variables—different times for journeys to work, different traffic grids, alternative centers for industry and education, different mixes of high and low density dwelling. The alternatives, even reduced by certain fixed decisions such as the layout of the major traffic network, run into hundreds of thousands. But by gradually feeding in more desirable objectives and eliminating more of the unnecessary sacrifices—of time, of amenity—finally two or three really significant and practical choices do emerge.

I am not citing this plan because it is for Detroit. I cite it because I think it is the first time, as far as I know, that the computer has been brought in as an instrument for the liberation of urban choice, a means, if you like, whereby men achieve the power to "invent" their urban future, and to do so even in an already congested society with a rapidly growing population.

It is, I think, no coincidence that the Detroit plan has put forward concepts which fit in with many of the new ideas we have just discussed. The counterpole of growth to Detroit is another center city at Lake Huron. The intermediate communities are to be sited at the points where the transport and communication lines cross. In between, the areas of natural beauty, including the lovely region of small lakes, are to be rigorously preserved. Industry and power development will follow a more rational distribution of traffic flows and take advantage of alternative possibilities of road, rail and rapid growth.

However, the possibility of effective planning with computer techniques is only the starting point. The next question is whether the political instruments exist to take advantage of the con-

cept of a balanced urban region. The answer is: In Europe, yes; and so far in America, no. In England, the Greater London Council has been set up to reflect the increasing area that political and administrative decisions have to cover in the London "conurbation." Among its tasks will be the coordination of its decisions in the wider south-east region. Paris and the Paris region have already a form of metropolitan government. So, I believe, has the larger Stockholm area. In America, the issue still has to be faced. For instance, can New York, with over a thousand separate governmental units, ever succeed in focussing on the needs of the whole region? Yet the health of each small unit depends upon the wider area. The form of "regional" government can take a variety of forms. Sometimes an alert state government can perform the task. Sometimes the frontiers seem to demand some intrastate regional structure. What is certain is that the United States has not much hope of balanced growth if the governmental issue is ducked. One can see this stark fact most clearly in the critical question of land use. If you cannot control land use, you cannot have a plan. It is as simple as that. If there is no right of eminent domain for anything save freeways, if freeways claim an almost cancerous life of their own, if ever tiny unit can zone in industry and zone out housing and schools, then no plan is possible and America will continue to get the mixture as before—which with 100 million more people added, could be the recipe for genuine breakdown.

The last question is whether, having planned, and having produced effective units for planning, regions can secure the resources needed to turn the idea into the reality. There are a number of points here and I must make them briefly. The first is that these houses and these communities are going to be built whatever happens. We should not kid ourselves. America is going to spend at least \$100 billion a year on new houses and neighborhoods and their services, whatever happens. Why? Because the people will be there. One does not just leave them dotted over the landscape. The bill year by year is geared to the built-in rate of population increase in the United States. The money will be spent. The choice is between spending it well or spending it ill, in a more balanced pattern or in a continuance of splurge and sprawl.

The second point I have made already but it is worth repeating. These new communities, prop-

erly planned and properly used, either as "new towns in towns" or outside in the urban region, do pay their way. In other words, they are a commercial proposition.

A third point is that this is a country which has developed an enormous range of public-private patterns of cooperation—COMSAT, the whole of the arms industry, space, atomic energy. There is no reason why that kind of pattern of cooperation between public demands and private realization should not be applied on the urban frontier.

My last point in the possibility that with the discovery of the techniques of "demand management" in Western economies, we face the likelihood, indeed, I would say the certainty, that countries like the United States are going to grow by at least 3 percent and possibly by 4 percent a year on average in the future—or at least until the year 2000 we have all been talking about. This means that by 1980, the present GNP, the present sum of goods and services available each year to the American people will have gone up by at least another \$450 billion. It is this near-certainty of adding at least \$40 billions each year to current GNP that allows us even to talk of "inventing the future." The greatest change between the past and the present lies in this ability to provide the resources for relevant future choices. And clearly we cannot leave out our urban environment.

Why should not the American people begin to take genuine account of this \$40 billion annual increment and ask themselves what part of it they want to allot to their collective needs and goods? It is not a question of strain or shortage. It is not I am afraid, Dr. Fleming, even very "sacrificial." Deciding for example whether you will ask for

a pure stream before you get your second swimming pool is not really a very painful dilemma. But it does involve informed and responsible decisions on the division of a nation's wealth between public and private needs. (Sweden, for instance, with a much superior urban apparatus, spends nearly 34 percent of its GNP on collective needs, America only 25 percent.) Will the increments of future years be devoted to mink ear pads, or will the fate of the ghettos go to the top of the political priority list? This is the kind of budgeting that growing resources make possible. And I must confess that to grasp and develop it seems to me to belong essentially to the "image" of a country like America, which has gone on inventing itself since the Founding Fathers, which enjoys inventing its future and is not, I think, happy when it feels cast down and restricted.

Surely, on the eve of the revolution of total information, of the computer, of new forms of energy, of a release of resources that would make Prometheus fall off his rock, this is not the time for discouragement. On the contrary, I maintain that it is time for America to recover the sense of its vision and its purpose, of using its material resources so that the dreams, including the urban dreams, of its citizens can become true. Such inventing of the future is now physically more possible than ever. Surely the political and moral energy will not fail.

I think a conference of this kind, taking this message, this possibility and this hope all round the country can stimulate a thousand efforts at other levels and I can only wish you all very well in the attempt.

AFTERNOON SESSION

December 11, 1967

SECRETARY TROWBRIDGE

Ladies and gentlemen, I know all of you who were at the luncheon will agree that we have seen today an outstanding example of the art of communication; an articulate and brilliantly presented talk on a subject of great personal interest to all of us.

This morning Mr. Flemming reminded us that it is not only important to clarify our national objectives; but also important to be very skilled in communicating them. And as an ex-businessman, now in public office, this reminded me of another businessman—Chuck Percy by name—who left his job in the Bell & Howell Co. to run for Governor of Illinois.

At one point in the campaign he was bothered by a recurring rumor, presented by the opponent, that Chuck was not really interested in the immediate office of the Governor, but had his eye on a more distant target, the White House.

He talked about this with his campaign manager, and said, "We have got to spike this rumor."

And his manager replied, "Tonight I have the perfect opportunity. I'm debating the opposition's campaign manager on television and I'll take this opportunity to stop this rumor once and for all."

So that night Chuck Percy paused in his campaign, turned on the TV set, and tuned in the debate.

Very shortly the charge that he was after the White House arose; at which point his campaign manager said, "Stop just a moment, please. I want to clarify something. I have known Chuck Percy all my life; I have worked with him closely in this campaign, and he has one objective only. I want to clarify that objective. The only thing that Chuck Percy wants to be is Governor of the United States."

Well, soon after this country was founded, de Tocqueville made an observation about it which seems appropriate today. He said "They"—meaning the Americans—"have all of the faith in the perfectability of man, they judge that the diffusion of knowledge must necessarily be advantageous and the consequences of ignorance fatal. They all consider society as a body in a state of improvement, humanity as a changing scene in which nothing is, or ought to be, permanent and they admit that what appears to them today to be good may be superseded by something better tomorrow."

In a real sense we are meeting here because we

recognize the need to find that something which will be better for us tomorrow.

This morning we have heard—all too clearly—the call for answers to problems of the city. We recognize the sense of urgency because we know the cities form the storehouse of our culture and civilization, and a monument to our achievements.

Three weeks ago at a ceremony marking the arrival of the 200 millionth American, President Johnson said "We know we are going to be an urban people for a long time to come. And what about the quality of life, then, for the future millions who are going to inhabit the cities of the future? If it is good, if it is life-enhancing, then we may be a great Nation.

"But we are going to find a lot of answers to a lot of hard questions before we are sure we are going to be a great Nation."

During our meeting this afternoon, we shall be looking for the answers to some of these hard questions. But rather than look for them in the city itself, we shall be looking for them in the countryside and town. For the city does not exist in isolation. Its greatness—and indeed its problems—have been drawn from the countryside. If we try to solve the problems of the city in isolation from the countryside, then we may only succeed in making the problems more insoluble.

The speaker for this portion of the program is Dr. Paul Ylvisaker, Commissioner of the Department of Community Affairs for the State of New Jersey.

Dr. Ylvisaker became the first Commissioner of Community Affairs on March first of this year. Since 1955 he had been Director of Public Affairs for the Ford Foundation, where he became nationally known for his work on urban and regional problems.

Prior to his work at the Foundation, Dr. Ylvisaker was executive secretary and consultant to the mayor of Philadelphia. He was an assistant professor of political science at Swarthmore College from 1948 until 1953, and an associate professor from 1953 to 1955.

He is both author and editor in the field of human and community development, has served as an advisory to the United Nations, and is a member of presidential task forces and advisory committees.

He has appeared before many congressional committees on numerous occasions. It is my very great honor to present Dr. Paul Ylvisaker.

DR. YLVISAKER

Before sharing some thoughts and some doubts with you, I would like to pay my compliments to the Federal establishments who have come together to talk about the problems of our communities across the Nation, both urban and rural. What we have missed in the years we have been struggling with urban problems is precisely this partnership and common endeavor.

There is something about an urban problem which is devilishly difficult to work out. For every solution of such a problem, you usually create another. Cure one man's urban difficulty and you complicate another man's life. Give the commuter a more convenient way into the city by high speed transport, and you have probably knocked a lot of recent migrants out of their only available shelter. Find the money to put an amenity into one man's town and very likely you have withdrawn it from another and left him in discomfiture. So there is no perfect solution to a community problem. And this knotty rule certainly applies to the problems that we have before us today.

But we make headway with these problems when we confront all their complications and every interest competing for their solution. Therefore, I am glad to see the rural problem now being confronted with its reciprocal, the urban problem, and for men who have worked in both environments to face the common dilemma.

In that same mood, let's wipe out of our minds today the jurisdictions (States, counties, cities, and the rest) which divide us within this Nation. Let's concern ourselves, instead, with what we have done and what we ought to be doing as a Nation.

It was very tempting to come before you as a State official and indulge in the usual gamesmanship of intergovernmental relations, which is to lay on the backs of the Federal officials all failures and all deficiencies. Our problems are too many and too serious for that kind of byplay.

To put it quickly and bluntly, this Nation has painted itself into a corner. Ironically, that corner is one of affluence. Internationally, we are backed up against a wall of massive poverty. The world's population is currently 3 billion, expected to go from 3 to 6 billion by the end of this century. And while that year 2000 seems so safely distant, never forget that for most of us in middle age it is about the interval since our college graduation.

The average income of those 3 billion people now is about \$477 per capita. The best estimates I have found show a probable rise to about \$500 per

capita by the year 2000—an increase of \$1 per year per person.

In contrast, my State of New Jersey—which has one of the highest per capita incomes in the Nation—is expected to double that income well before the year 2000.

Thus we stand out starkly against this black wall of poverty as a white figure of prosperity. We will face, as we are facing now in Vietnam and elsewhere, the increasing hostility and envy of other people throughout the world as we increase our own level of affluence. Internally, the contrasts are similarly stark, and the emerging feelings of the poor are equally hostile.

We have extruded poverty from agriculture. A good deal of that poverty, as indicated by the report of Governor Breathitt, still remains in rural areas, but not necessarily in agriculture. It exists among people who are marginal to agriculture, scattered in the small valleys of Appalachia and/or the Ozarks, the migrant camps of New Jersey, the cut over areas of Minnesota, the shanty towns of California, and the southwest.

But the majority of this agricultural poverty has been extruded to our central cities. We are also extruding poverty from our suburban areas. The mechanics of it are obvious to anyone who has watched the suburban zoning game and the other processes by which living standards are raised and the poor squeezed out.

The common destination of the migrating poor—from rural and suburban areas—has been the darkening depths of the central city and the jungle of the ghetto.

In short, what we have done is to congregate the poverty of this Nation in our deteriorating areas—the economic deficit areas of the United States. We have concentrated those least capable of helping themselves where it is least possible for them to help themselves.

Meanwhile, their plight is further worsened by another trend. Until 1984, if my memory serves me right, this Nation will increase the ratio of its young and old dependents to the work force. A disproportionate number of those dependents will be caught in the deficit areas.

For example, Newark, the largest city in New Jersey, is 51 percent Negro. More than half of that Negro population is below the age of 16. The last time I checked the figures, the median age of the Puerto Rican population in New York City was 16. This is the population we are concentrating in economic deficit areas of our Nation.

At the same time we are withdrawing from these areas the capacities to educate and upgrade the new citizens who have migrated there. In the older cities it is not uncommon to find that the

newest schools are a generation old. It is not uncommon to find that the better teachers, doctors, lawyers, and other critical specialists are no longer servicing these neighborhoods.

Another irony is that the newer migrants to the city find themselves sardined into a political mass. In my own town of Cranbury, 2,500 citizens exercise the full powers of municipal government. But in Newark or New York neighborhoods of a hundred times that population do not have the right to zone, to plan, or to run their school systems.

The plight of the urban poor has a sad irony to it: As their numbers decrease relative to the Nation's population, their chance of gaining a voice in community affairs diminishes proportionately. They can prevail only as part of a coalition capable of mustering 51 percent of the vote. But that coalition must form around unpopular issues—such as more taxes; and you will not find rushing to join it either suburbanites or prospering farmers, all of which plays into the hands of the more militant who can say, "I told you so," when a frustrated urban minority comes back rebuffed by city hall, State legislature, or Congress.

In addition, physical resources are moving out of these deficit areas of the American economy. Our prospering national economy is withdrawing jobs from these areas. The National Committee Against Discrimination in Housing, in an unpublished manuscript, has put together figures which show dramatically the withdrawal of employment opportunities from both central city and the rural farms. Again we get more dependency, more poverty, less resources and less chance for denizens of the deficit area to pull themselves up by their bootstraps.

As a matter of fact, manufacturing jobs now have been removed so far from central city that labor shortages have come to be critical.

That raises the question of how to transport workers from the central city to those plants. Or do you promote open housing for the urban labor force in the suburban fringe? Say or imply publicly that there should be a transplanting of the poor, and you will find to your own dismay and political demise how deeply social discrimination has been writ into the Nation's migration and urban policy.

Another great economic trend of our times is moving jobs out of manufacturing into the service area. What this means is that those extruded from

rural areas and occupations have to jump not one, but two, generations of economics in order to survive and become employed in the mainstream.

Manufacturing will not absorb the great numbers of people now moving off the land. Their major prospects are with the service sector. But to get into service employment one must have the verbal and other skills that go with advanced urban living. As a result, the service jobs often go begging. Either they are so meaningless and low paid as not to invite participation, or they require skills that put them out of reach of those migrating to the urban ghetto.

The Nation must face another sad fact of its migration policy, which has been largely a policy by default. That policy has placed the latest urban migrant in areas of the city where they confront and compete with those next last to arrive—Irish, Italians, Poles, and the rest who have just begun "to make it" and who have neither the means nor the mood to be generous to the newcomer.

This tension and competition between succeeding groups of urban newcomers spills over into municipal politics and administration—and most dangerously into the enforcement of law and the administration of justice.

The police and magistrates of our Nation's cities have been recruited largely from the next last to arrive; and competition between contending social and economic groups tends to become a conflict at law.

I say this with full sympathy for both groups driven by our national policy into such tragic confrontation.

The net of these trends and outcomes is that America is faced with defending its affluence on two fronts. It sends troops to fight those who covet our disproportionate share of the world's assets, and at the same time last summer was forced to send its constabulary to hold the line between urban have-nots and suburbanizing haves.

The likely scale of such defensive undertakings in the next generation, is something none of us should underestimate. I have given you the forecast of 6 billion population. We are in an international system where membranes become permeable. There is no keeping out the population of this world by even an act to control immigration. Despite legal restrictions, national boundaries will be penetrated. It is a formidable law of nature that poverty moves to wealth, and (as in the case of industries moving toward low-cost labor) wealth

to poverty. The Mexican-American boundary is a case in point: Even when the wetbacks are kept out, wealth and poverty cluster along the entire border, producing an interdependency that leaves no alternative but for this Nation to attend to the problems of disadvantage across the line.

Confronted with migration pressures from without (which will surely increase), we face continued pressures within. Department of Agriculture projections are that 44 percent of those entering the agricultural work force during the next decade must look elsewhere to find employment.

Given that forced migration, and the high rural birth rate that persists among the young who migrate to the city, each year the Negro ghettos of the United States grow by a net of half a million persons. We faced in the Newarks and the Detroits last summer the harsh realities and consequences of that statistic. And another half million will be compressed into those same urban ghettos next summer, and another half million the year after, and each year. The number of jobs available to those growing populations will shrink. Housing conditions in that time will not have become much better; relative to housing conditions outside the ghetto, they will deteriorate.

Given these harsh realities, we can no longer tolerate at the municipal level, at the State level, or at the Federal level, the divided jurisdictions and limited perspectives which encourage a great Nation to give small answers to monumental problems, land policy, or even, as Pat Moynihan would argue, a national family policy. Again, I am not pointing an accusing finger at the Federal Government. I am pointing at all of us. We have by our decisions and our indecisions—as a Nation—fixed upon ourselves the pattern of human settlement and its ensuing set of problems.

These are the gloomy facts and our national predicament. Let me turn to ways we can begin to reshape our circumstance and ease some of the hardships. Internationally, we can help strengthen the capacities of other—and especially the less-developed—countries to absorb the avalanche of rural migrants that hangs over them. Much of our foreign aid programs have been preoccupied with agriculture; a shift toward building up the urban infrastructure and expertise of those nations is in order. Clearly, too, we should be reducing rather than encouraging the “brain drain” from these countries. Inexcusably, we are now recruiting from abroad to close the gap of needed

medical personnel in this country—and in so doing are at one and the same time closing opportunities to our own citizenry while draining other nations of the very skills they need to sustain their urbanizing populations.

Domestically, let's review and correct some urban and migration policies mistakenly or thoughtlessly adopted in the past.

Right after World War II, for reasons I do not know, it was decided there should be a cheap airline fare from Puerto Rico to New York City. Until that time, Puerto Rico's surplus labor supply had moved to the continental United States largely by ship, and equalized itself around the ports of this Nation. By this one decision, suddenly, practically the entire Puerto Rican migration moved into New York City. Which brings to mind the city manager of Oakland who one day woke up to find that the Bureau of Indian Affairs had decided Oakland would be a relocation center for certain Indian tribes. Before that city could prepare itself, scores of Indian tongues were being spoken in Oakland, and more than that, many complications added to that city's already complicated social problems. Also, one can cite the recurring practice of industrial recruiters, who scout for low-cost labor and import it even when they have surplus labor in their own communities. They recruit without insuring that there will be sufficient housing for those who migrate. Low property taxes attract industry to many of our States, but there is no requirement that the incoming industry shall make certain that there is available housing nearby.

Discriminatory practices play a part in our migration policy. Low welfare payments in the south practically force those on subsistence to move north. Then when they move into urban areas, they become a majority or a large enough minority to insure a rising standard of welfare benefits. Soon the community is forced into that welfare trap of inviting a migration that it cannot house, cannot employ, and cannot support.

Discriminatory practices in housing have drawn the white noose around the central city. Some passive requirements of our laws have similar effects. Section 204 of the Model Cities act is a case in point. For 10 different categories of grants, it requires suburbs to submit their applications to a regional review. But this review does not question the frequently restrictive social policies of these suburbs; rather, by silence, it encourages

them. So Federal grants are dispensed and metropolitan segregation continues.

Turning to positive steps that can be taken, we need a lot more attention to the movement of population, international as well as domestic. Working with the Mexican-American situation on the border impressed me with how inevitable the movements of that population were. Yet we seemed not to be calculating the potential scale and distribution of migration of "surplus" populations from below the Rio Grande, or seeking intermediate devices to phase this working population into our own communities. The Cuban refugee who comes to Miami often displaces the Negro who was already there. The burden of that migration is borne largely by one city—and within that city by the lowest paid sector, with whom the new arrivals are competitive.

In short, we need a national migration policy. Its general objective should be to relate poverty to economic growth, and to correlate migration with housing, educational, and other facilities.

There are several ways of relating poverty to growth. One, for example, is rural development. I know that Secretary Freeman is determined, as is Secretary Alampi in New Jersey, to begin stepping up efforts to bring economic activity into the poverty areas of rural America.

I am sure you have heard how extraordinarily difficult an assignment this is. I have watched the Soviets try it in Siberia. I have watched the Japanese try it in their hinterlands, and we tried to do it in the planning of metropolitan Calcutta.

No matter where it is tried, one runs very quickly into two obstacles. First, there is the fantastic cost of providing the necessary infrastructure—the highways, the schools, and the other facilities needed for economic takeoff and community well-being. Second, the farther capital moves from existing development, the more efficient it must be. So the distant plant becomes the automated plant, with fewer job opportunities for the residents of the area in which it is located. And what jobs there are, are mostly skilled—and the necessary labor imported.

Even the route of accelerated public works is a narrow one: Again, the employment provided is mostly skilled, and frequently imported.

Still, there is no question but that rural development should be accelerated. Many things are possible. I remember Governor Hoff talking in Vermont of strengthening the intermediate commu-

nity of 25,000 to 50,000 as a catch basin and a growth area, justifying the investment of scarce resources to build up the infrastructure. These communities then become countermagnets or half-way houses on the migration trail.

A related step we can take is to start consolidating some of our small communities in rural areas. This idea is a counterpart of Governor Hoff's. Transitional communities have been explored and may be developed in Kentucky and Mississippi—analogs to what the Israelis did in shaping their migration. Such communities could absorb families displaced from agriculture and keep them intact, while passing through the first round of urbanization, acquiring verbal skills and job training before taking the long haul into the central city.

The Puerto Rican Migration Office has shown the way in many respects. But it is easier to identify the Puerto Rican leaving the island than it is the Negro leaving the tobacco area of North Carolina. Still, I think experimentation along these lines is abundantly justified.

Another way of bringing growth to poverty (rather than moving poverty to growth) is to take the emerging service sector of the American economy and steering it into the deficit areas. The Hill-Burton Act has brought many hospitals into rural America. Yet I think you are more likely in the future to see the medical centers, the educational centers, the community colleges, deliberately located in central city.

Doing so is not easy, and it provides no magical solution. It can produce a relocation problem which becomes dynamite, as in Newark. It produces a local tax problem, by taking property off the tax rolls in the central city. The employment it generates returns income taxes to the Federal Government, but not to the communities. Often you import your labor, because you didn't train the local labor in the ghetto. But I submit it would be a good thing for the central cities of the United States if the Federal and State Governments now began systematically to encourage the medical centers, junior colleges, universities, and so forth, to locate close to the ghetto and its underemployed labor supply.

Another way around, of course, is to bring the poor to the growth areas. Migration could be encouraged toward those communities where unemployment is lowest, where there is housing,

where the newcomer can be absorbed with a minimum of dislocation, hostility, and hardship.

Open occupancy obviously must become more of a national concern, to insure mobility, free choice of residence, and a better mix of national and metropolitan populations. Watts has shown, and HUD has responded, to the glaring need for better mass transportation to insure access to jobs and services by residents of the poorer areas. The recruitment of the Negro GI is another possible step that can be taken. The Negro GI whose hitch is up, is now given special attention by the Defense Department in "Project Transition"—the purpose being to identify and reenlist the better candidates.

Why shouldn't civilian interests compete for those GI's? To recruit them into jobs where skills can be fully developed and prospects are good. To help them find housing outside the ghetto. To prevent the bitterness that comes when too many Negro GI's find themselves "losers" again. These two-time "losers," we find, are disproportionately represented among those involved in last summer's urban violence.

New towns, I also believe, have a place in America's migration strategy. Perhaps they will not be the same as those in Sweden and Britain, but we have to begin building at scales which go beyond the Levittowns. Communities based on open occupancy, with access to employment, relieving the congestion of the poor and the unemployed in our overcrowded core cities.

I would argue that we also ought to review the pattern of incentives built into the system of our grants-in-aid. Taking Section 204 again, possibly we ought to ask, "Shouldn't we offer a suburban area double its Federal and State money if it opens its doors to a cross-section of America's population?"

Planned unit development and cluster zoning, which are coming into favor around the country, ought to be looked at not merely as a technique for cutting development costs, but even more as a way of insuring a balanced population—of richer and poorer, older and younger, black and white.

I would especially recommend that we nationalize our welfare system, guaranteeing equal benefits for a person no matter where he is born or where he may move. This may or may not reduce the rural-to-urban migration. Certainly it would expand the range of choice open to those who might or might not move, and help many escape the present trap of the core city ghetto.

We ought also to increase the flow of income into the hands of the person in poverty, so that he has free choice and can go to the market rather than the bureaucrat for his essential goods and services.

Finding ways of increasing that flow of freely disposable income will not be easy. Whether it is by way of the negative income tax or the guaranteed income or whatever, it is still a question to be sweated out. But the flow and the free choice are badly needed.

We cannot take many more summers of escalating discontent. We cannot continue to grind out revolution by concentrating our poor in economic disaster areas. We must bring growth to the poor or the poor to growth, in one way or another. Because the poor left in poverty will be America's undoing.

To conclude on a realistic note: 80 or 90 percent of America is middle class and its mood is defensive. It is defensive internationally and domestically. But we cannot take on our problems with a defensive attitude. There has to be more derringdo, that occasional burst of the brave man across no-man's land.

We need a positive statement of what we want to accomplish and a commitment to do it. The greatest possibility that I see of this emerging is in the young generation. Those of us who went through 20 years of affluence are too caught in this system, liking it too much. Individually we live so close to the deficit line, whether our income is \$50,000 or \$5,000, that it becomes painful to think of anything more than a marginal change in national policy and personal circumstance.

Yet more than marginal change is needed. And I find that the younger generation coming on, those who will vote for the first time in the national elections next year, are looking for a positive statement of America's goals, and are willing to make sacrifices to fulfill them.

My guess is that unless we make a statement about the urban problem that attracts the young who are soon to vote, we will have lost this battle. That is why in New Jersey we are out to win the minds of our younger generation.

SECRETARY TROWBRIDGE. Thank you very much, Dr. Ylvisaker, for a provocative and articu-

late inventory—not only of problems—but of real opportunities which face us.

It is quite clear that Gov. Richard Hughes of New Jersey is very lucky to have the help of Dr. Ylvisaker. It is equally clear that another Governor Hughes, Gov. Harold Hughes of Iowa, has a lot to deal with as he reacts to the remarks of our previous speaker.

Gov. Harold Hughes was born in 1922, attended the State University of Iowa, and holds honorary degrees from Buena Vista College and Cornell College. He served with the U.S. Army, primarily in North Africa and Sicily, for 3 years during World War II. He is currently in his third term as Governor of Iowa. He also serves as Chairman of the Democratic Governors' Conference and for the past 2 years has been on the Executive Committee of the National Governors' Conference.

It is with a great deal of pleasure that I introduce to you Gov. Harold Hughes of Iowa, to remark on the talk by Dr. Ylvisaker.

GOVERNOR HUGHES

Thank you very kindly, Mr. Secretary.

Secretary Weaver and Dr. Thompson, Dr. Ylvisaker, I am reminded of the mayor you commented about earlier in your speech. Right at this point I don't know why the heck I even ran for the office.

I think that generally, being the Governor of a midwestern State, the references that I listened to regarding migration of the totally untrained and poorly educated into the metropolitan areas of our Nation do not apply particularly to my area of the country.

However, we have had a definite outmigration, both from the State and from the farm, over a period of some 40 years or better. The farm revolution has been constant and ongoing at the rate of 5,000 farm families a year, approximately, leaving the rural areas of our State and migrating both to our own towns and cities and to other areas of the United States.

I think the outmigration of young people from our State, particularly during the period of the last census, was at an average of about 20,000 young people a year—most of these well-educated people, I might add, since Iowa is among the highest in Ph. D. graduates per capita and holds first place among the States in the level of functional literacy.

So we face a problem in rural America and mid-western America that I believe differs from the problems that have been outlined in Appalachia, the Ozarks, and the southern rural areas of our country. There is need for looking at depth in regions of the country, as well as into regional development of our respective States.

Being from an agricultural State, I would say that it is a challenging time, at least knowing the millions of dollars that are expended in taking the most fertile land of the world out of production in order to maintain income levels in rural America. I am told that world population is increasing and most of this population is not receiving enough food to eat. And while our capabilities and expertise in the production of food are advancing at a higher rate, almost, than the population growth is advancing, it seems ironic in an age of scientific development and breakthrough that we can't find a way to pay people to produce food rather than paying them not to produce it, when the great need exists.

I believe that it is vitally important that people in underdeveloped countries be fed and clothed and educated; given hope, desire, among other things. It is equally important that their dignity be maintained while we are doing this, but while they do have the ability to produce some things that make them feel self-sufficient, the things they can produce have little or no market in the world.

I think a revolutionary new approach perhaps is necessary internationally.

If we must destroy commodities, then let it be commodities that are not edible in a world that is hungry. We are paying millions of dollars to take land out of production. Yet we are spending millions and millions to put more land into production—in areas, for example, of public conservation for parks, raising of waterfowl, fisheries, game, scenic beauty and so on. We are destroying these wild areas to produce more food and then again implementing Federal programs to pay the farmers in the area to take the land out of production.

Now, the defeating purposes of our own society in many of these areas do not fit into the total needs of the world, most certainly.

I am fully optimistic that we have the capability—if we were to get an international task force to find the solution—of producing enough food and developing the ability of foreign people to produce their own. Then gradually, as this expertise is ap-

plied by exchange, we can withdraw from this type of program and go on to others.

I would point out that we have long had a brain-drain from the middlewest to coastal regions and scientific centers of the country. This has been a recognizable problem ever since World War II. I believe it has progressed so far at this time that nothing can change it but a political decision. And I believe that a political decision should be made in moderation and that the trend can and should be moderately reversed, because the great universities of the midwestern States are capable, competent producers of some of the finest brainpower of the world. And I believe that we can retain it there.

In Iowa we have moved to a regional concept of development. We have such regional programs as NIAD and TENCO in basically rural areas. The counties are certainly obsolete, and it lies within the powers of the local citizens to abolish them, but that will be a long time coming. In my State we have 99 counties. Obviously for efficient local administration, 25 could very easily do the job of the 99 eliminating some of the overlapping costs. We are starting to train 20 years too late, but we have established an area vocational technical training system in Iowa in 16 regions, believing that training these young people and retraining the older—the farmer who must leave his job, or the serviceman who finds himself unemployed—will in itself attract local small industry.

I think in rural areas, Dr. Ylvisaker, rather than looking only for industrial giants, we should look for many of the smaller industrial possibilities that can furnish employment to 25 to 100 people, thereby producing the concurrent market of 100 families for other businesses.

In our higher education system we have only three State universities, but 53 private colleges. Now these private colleges have trained and educated about 50 percent of the young people who received a higher education in our State. With the setting up of the area vocational technical educational system, as well as a community college system that is involved in this, we are now creating a hazard to the private college institutions that already existed in the State and have served the State so well.

So government itself, as you point out, does shove into the problem many of the existing factors that create future problems.

Another area that I think is absolutely necessary, in addition to all of the government involve-

ment you have suggested and pointed out, is total private enterprise involvement. In their own operations, private businessmen have long since done away with the obsolescence they commonly accept in Governmental operations. But they have not, in many States, become involved in the streamlining of the governmental structures, in the revision of the State general assemblies, the revision of the process of the State government.

We have only begun in Iowa. Again, we are 50 years too late. Most States are in the same shape or worse, I might add. We have some 140 State agencies in the State of Iowa. Our recommendations have been that these could be reduced to some 13 basic administrative agencies.

Now, in streamlining the legislative body and the budgeting process—which are obsolete in most States—and improving each State's abilities to focus attention on problems within the State in cooperation with the local and Federal systems, we can make a true partnership that I think is vitally important for approaching problems.

I think as I view the problems you posed, number one is certainly that people need enough to eat in the world.

Until we satisfy hunger, certainly we will have a greater antagonism; because they will fight to eat if for no other reason at all, regardless of whether it is in America or foreign countries.

I think the next thing needed is public leadership in changing of attitudes of people. We need strong leadership, at the State and local level and the national level, to instill in people the responsibility (and it boils down, in my opinion, to this) to accept one another as equals—to be willing to say that when a Negro or a Puerto Rican has a problem, I share his problem. And if rising in this affluent society, I personally am unwilling to reach down my own hand or to step down myself and walk back, if necessary with them, then we are going to continue to create the division. And I believe it is absolutely necessary, if you will forgive me in a Government meeting, that our churches and our synagogues, and our religions, all religious faiths of the world, should be a strong participant in the attack, knowing that we must change our attitudes toward one another. And it is the responsibility of each household of this Nation to understand in the family home that differences of ethnic background or color of skin do not change the color of spirit or the approach to God nor diminish the right to an equal opportunity.

of education, an equal opportunity as economic ability dictates to housing, an opportunity for each youngster to improve himself to the maximum of his capacity, whatever that capacity might happen to be.

I think with changing attitudes we can get private enterprise more involved. I think industry itself must make an all-out endeavor to add additional jobs, to employ the underemployed and the unemployed, to see that they are better educated, that youngsters from these regions who have the ability and the desire to be technically trained are not stopped from getting that training because of the small amount of money it would cost to place them on an industrial production line.

That is our responsibility. And I think these things can be done.

I think we need to concentrate scholarships in education almost equally as much in training fields as in other areas of higher education—to train the workers and to help them get the training where it is forbidden now for want of financial means to obtain it.

I think if we can do these things we can reverse some of the trends that are present today.

Now, this internal migration in our country that is destroying the hearts of many of our cities is something that we are well aware of. We know what it is doing. We have the history of it. We know the basic things that need to be done.

I might add another area that I think needs to be attacked. I do not believe that the trade unions of this country, and in some areas particularly, have broken down the barriers against discrimination. Many of the people of minority races are forbidden opportunities in apprenticeship programs and are forbidden opportunities for employment that would be productive.

In some areas of my own State I know that though it is said to not exist, the subtlety of it does exist, and that they are prevented from having equal opportunity.

Now, I might add I listened to your recommendations, Dr. Ylvisaker, for a lot of national policies. One was noticeably absent, and that was a national rural policy. We need a national rural policy in America. We need a national rural policy that will help us to retain more of the people that we produce in rural America where they are. The regional concept of development, regional concept of government, regional concept of education, regional concept of financing, and a true partner-

ship of Federal, State, and local systems of government are needed to attack the problems.

I believe in a very brief time this would be my reaction to your overall statement. It would be also, if I made some comments in the nature of recommendations, that number one, the food problem in the world must be faced. It is tragic that we are paying so many millions of dollars to take productive land out of production when we should be paying people to produce rather than not produce, and certainly in a world filled with the expertise and scientific know-how, an international forum, if you please, on this matter perhaps could come up with some solutions that would be workable and still not have an overall tragic effect on international trade policy.

I think the attitudes of people themselves in our country and in our cities must be changed to accept one another on an equal basis as well as the laws, because changing laws alone will not make it work. People must believe in the law. They must respond to it in their heart.

Education must continually be worked on. Jobs must be furnished and along with this will be taken care of, I believe, the problems of housing, the area development and the scientific know-how that goes along with these major problems.

Thank you very kindly.

Secretary TROWBRIDGE. Thank you very much indeed, Governor Hughes.

As Secretary Freeman said this morning, the report of the President's Commission on Rural Poverty has just been issued. Our next speaker has served for the past 15 months as Executive Director of that presidential commission. Dr. C. E. Bishop is both an educator and an economist. He received his Ph. D. from the University of Chicago and has been a member of the faculty of the University of North Carolina in Chapel Hill since 1950. He is vice president of that university and has administrative responsibilities for programs on four campuses.

Dr. Bishop has conducted research in economic development, labor mobility, and income distribution. In 1964 he headed a special task force to study rural manpower for the Organization of Economic Cooperation and Development in Western Europe. He is a member of the Science Advisory Committee of the Secretary of Agriculture and of the National Manpower Advisory Committee to the Secretaries of Labor and Health,

Education, and Welfare. It is a great privilege to introduce to you Dr. C. E. Bishop.

DR. BISHOP

Thank you, Mr. Secretary. In the interest of time I shall try to be rather specific.

Let me assure you that I did not have a copy of Dr. Ylvisaker's paper. I have chosen, therefore, to focus my comments on some of the conclusions and recommendations of the President's National Advisory Commission on Rural Poverty that are particularly relevant to the subject matter of this conference.

First, however, let me emphasize that from an economic standpoint, the old rural/urban dichotomy is dead. It is futile to attempt to maintain it or to resurrect it. Let us bury it. Technological improvements have made possible economic reorganization that has rendered this dichotomy meaningless. The response has been both prompt and extensive. We have witnessed it in the merging and enlargement of farms, in the growth of nonfarm firms, and in the changing structure of rural and urban communities.

Now the early rural community was largely self-sufficient. It was oriented around a local economic base. There is, however, a spatial equilibrium for each state of the arts, and changes in technology have made it desirable to change the structure and function of rural communities. Because of the intense specialization of many activities and changes in the scale of operations necessary for economic viability, many rural communities have simply been pulled apart and their functions have been transferred to larger, more specialized and more highly interdependent communities. In many rural counties employment is less than it was in 1950. The changes have been so extensive that in some regions an economically effective community of today contains approximately 100 times the geographic area that an effective community contained during the early 1900's.¹

Now the same forces that have pulled apart these small rural communities have also concentrated functions in larger communities and created a necessity for rural people to interact more with urban

people. In their travels, in this interlocking web of communities, rural residents have been fully exposed to urban styles of life. As a result, the differences in values and in want patterns of rural and urban people have decreased, and rural residents now demand goods and services quite similar to those demanded by people living in the urban centers. It is increasingly apparent, therefore, that from a sociological as well as from an economic standpoint that which is urban and that which is rural can no longer be distinguished.

The winds of change also have struck local governments. But there has been less change in governmental structures than in economic and social structures. As a result, at the same time that citizens of rural communities demand the services that cities offer, local governments are finding it increasingly difficult to provide even the basic services. Consequently, there is in America today, and especially in the rural areas, a serious and widespread failure to prepare people for participation in the modern economy. In entirely too many instances, the schools, the libraries, the health facilities, the churches, and government are failing to develop programs to meet the needs of the people.

However, the deficiencies in the rural areas are not as apparent as in the metropolitan areas. The population is more sparsely located, and the poor condition of buildings and facilities is not so noticeable. Furthermore, the rural poor, and especially the rural white poor, are not well organized. They have few spokesmen for bringing the Nation's attention to their problems. The poor in the metropolitan centers on the other hand are more concentrated, better organized, and more vocal in their call for help. And, they receive more help than the rural poor.

In my judgment the central issues in the concept of balanced growth over the remainder of this century will center not on a rural vs. urban dichotomy but on the distribution of growth among metropolitan centers and other urban areas. Secretary Freeman deserves commendation for causing us to ask questions about the location of economic activity and of population. He also has helped us to recognize that through our public policies we are providing incentives that affect both the location of jobs and of people.

In its report, "The People Left Behind," the National Advisory Commission on Rural Poverty questions the wisdom of massive public efforts to

¹ Karl Fox, "Effects of Economic Growth on Regions," ch. 6, *Understanding Our National Economy and Economic Growth*, Iowa State University, Special Report No. 51, February 1967, p. 35.

improve the lot of the poor in the central cities without comparable efforts to meet the needs of the poor in the remainder of America. There is a danger that programs designed solely to meet the needs of the central cities will be self-defeating.

If economic and social conditions are improved greatly in the central cities without comparable improvement elsewhere, additional incentives will be created for migration to these central cities. In the end, therefore, such programs may complicate the very problems we are trying to solve.

Even more important is the fact that the impression is being created that the metropolitan centers are being rewarded for the dramatic manner in which they make their wants known. The message reaching the poor outside of the metropolis is interpreted as saying that if they want more effective programs they must find more dramatic ways of making their demands known. This is a tragic message. And it could have tragic consequences. Already there is growing restlessness beyond the metropolis.

Now we are much more inclined to look with favor upon programs designed to influence the location of jobs than programs designed to change the location of people. Throughout most of our history attempts to alter the location of people have involved the movement of people to the land. It was on this basis that the Nation was settled, and it quickly became customary to provide land subsidies as rewards for service to the Nation. For example, as early as the Revolutionary War we rewarded those who served with land. Now in an era when large areas of land were undeveloped, when the Nation needed additional farm products, and when relatively small amounts of capital were required for profitable farming such policy probably made good sense. During the last 30 years, however, the economic structure of farming has been altered to such a degree that it is no longer reasonable to think of moving large numbers of people into farming.

Achieving a "rural-urban balance" does not imply development of a peasant agriculture. The poor in the United States are not looking for land, per se. They seek personal respect, economic opportunity, social justice, and political power.

If the problems of the poor are to be solved, we must improve industrial location and become more effective in bringing people and jobs together. The vast migration of people that has taken place in this Nation during the last three decades has gone

on largely in an unguided and unplanned manner. For the most part it has been naively assumed that individuals and families possess sufficient knowledge to pursue the search for employment of their resources in an optimum manner. Little consideration has been given to the fact that location itself has value and that changing the location of resources may augment the value of those resources.

The value of an industrial plan obviously depends upon its location. In like manner since both geographic and occupational mobility involve costs and yield returns, the optimal pattern of investment in human resource development should consider increases in productivity of the human resource resulting from changes in occupation and location as well as from education and training.

The transfer of the human resource from rural areas has been massive. There is no evidence in my judgment of a need for increased mobility of labor in the rural areas. However, there is a great deal of evidence that mobility should be improved. A high percentage of those who transfer from farm to nonfarm employment actually incur losses rather than gains as a result of the move. Moreover, recent research leaves no doubt that there is a large back movement between nonfarm and farm employment.

A special study prepared for the Commission estimated that between 1957 and 1963 the number of persons moving into farming from nonfarm employment averaged close to 90 percent of the number of persons moving from farm to nonfarm employment per year.² However, a high proportion of those transferring from farm to nonfarm employment did so without changing residence.

The report also emphasized that those migrating to cities of more than 1 million in size received higher earnings than those migrating to smaller cities. The backflow from the large cities was lower than from the smaller cities. As long as this condition prevails, the flow of people to the metropolis will continue.

Now the large number of people returning to farm employment and the fact that many had lower earnings after migration suggests substantial social waste in the migration process. These facts also emphasize the importance of providing

² Dale E. Hathaway and Brian B. Perkins, "Occupational Mobility and Migration from Agriculture," a paper prepared for the National Advisory Commission on Rural Poverty, 1967.

guidance and counseling in discouraging migration by those who likely will incur losses as a result of moving and of encouraging those who can benefit from relocation. The major problems appear to be those of rationalizing the migration process so that a higher percentage of migrants actually benefit from migration.

Several specific policy directions emerge:

Because of a conviction that poverty could not be overcome without altering the conditions that create poverty, the National Advisory Commission on Rural Poverty placed emphasis upon altering economic and governmental structures. The commission recommended the delineation of developmental regions to encompass the entire Nation. Each region would be divided into multicounty development districts, each district containing a development center or a commitment to develop a center within it. The commission recommended that Federal grants and loans be provided to the regions and development districts for planning purposes and where necessary that industrial development subsidies be provided to the development centers.

The attainment and maintenance of full employment is a necessary condition for rationalization of mobility. The Commission calls upon the Federal Government to fulfill literally the language of the Employment Act of 1956. Specifically, the Commission recommends that the U.S. Government stand ready to provide jobs at the national minimum wage to every unemployed person willing and able to work.

Since such a high proportion of those who migrate are in the younger age groups, it is imperative that a better job be done in occupational preparation. General education must be improved and training programs in rural areas must place greater emphasis upon nonfarm vocational training. Testing and counseling programs must be expanded in schools outside of the metropolis. And there should be effective coordination of counseling services and the job outlook and placement services of the Employment Security Commission.

A nationwide comprehensive manpower program should be initiated to provide improved job information to potential employees. If we study the established streams of migrants across the Nation, we cannot escape the conclusion that the pattern of dissemination of information has a more important effect on who migrates and where they

go than potential increases in earnings. Better information on employment and living conditions could materially improve the migration process.

The high rate of back movement to the rural areas suggests the need for reception centers, guidance counselors, and improved housing in the cities receiving migrants. Now the meager evidence that is available suggests that the return received by society from investments in mobility assistance far exceeds the return received from investments in education or training. It appears, therefore, that public assistance in the form of relocation payments provided through and based upon the advice and counsel of the Employment Security Commission could yield very high returns to our society.

In short, good planning and balanced growth require programs of planned growth, new cities, subsidized development of cities, and improved information systems and relocation assistance to help bring people and jobs together.

Dr. Ylvisaker, you will be interested in knowing that the Commission also recommended, very strongly, nationalization of our welfare system and modification of it to provide minimum incomes without destroying incentives for employment. It made specific recommendations for programs to meet the needs of the people for food, housing, health, and education, emphasizing the principles of consumer choice.

In summary, no real effort has been made in the United States to influence the geographic distribution of growth. We have ignored the potential costs and returns associated with changes in the location of industry and of people. The concept of balanced growth dictates that in the future we must focus more sharply upon these costs and these returns. Our span of concern must include guiding the location of industry and guiding the location of people. In doing so, let us not attempt to plan the future with the technology of the past nor of the present but to concentrate our attention upon building the kind of society that will best meet the needs of man in the future.

Thank you.

Secretary FREEMAN. Thank you, Dr. Bishop. The topic now before us, a crucial one, is that of capital-labor-mobility. Everything that has been said today, whether directed toward how the prob-

lem arose, or its solution, is concerned with the question of the mobility of resources.

Therefore, this becomes a very key part of our consideration of Communities of Tomorrow; national growth and its distribution. Our lead-off on this subject will be Dr. William J. Baumol, professor of economics at Princeton University.

You will find in your papers a list of his outstanding accomplishments and publications. Suffice to say they are diverse, far-ranging, and have earned for him an outstanding reputation as an economist.

Last year he coauthored a book that commanded widespread attention here and around the world, titled "The Performing Arts: the Economic Dilemma."

In addition to teaching and writing, he has served as a consultant to the Federal Government. Prof. William Baumol.

DR. BAUMOL

Thank you very much, Mr. Secretary.

Several weeks ago, we read in the newspapers about a consortium of insurance companies that had undertaken to provide a rather large amount of money which it was going to devote in one way or another to processes of urban renewal—which it was going to contribute toward a cleaning up of our cities. This decision on the part of the insurance companies illustrates the two main themes of my talk, because, while what they did was highly commendable and highly desirable, it may have fallen short in two ways of getting at a long-run solution.

This program is highly commendable and highly desirable because it provides the short-run palliative which can be so essential in a really critical situation of the sort we face.

With the prospect of more long, hot summers before us, we do indeed recall Lord Keynes's admonition that in the long run we are all dead, and that in the meantime we must try to stave off catastrophe for as long as possible. For these reasons "short-term solutions" and "palliative measures" are not to be taken as terms which are meant to denigrate the importance of the activities to which they apply. But while they may be extremely important, they must not be mistaken as measures which can deal with the long-run fundamentals of the problem.

In what respects, then, does the action of the insurance companies deal with the short-run rather than the long-run problem? First, simply because it was a voluntary action, because it was done as a matter of public welfare, as a matter of public-spiritedness of the companies, as something which they were undertaking in the public interest rather than self-interest, it represented a palliative measure rather than a fundamental long-run step. And, second, because it dealt in the same superficial manner as some public policies have dealt with the problem, because it did not cope with the long-run underlying dynamics of the situation, I think it, too, was bound to serve as a useful but nevertheless temporary measure.

What has all this got to do with my announced topic, the problem of mobility of labor and capital? It is relevant, because at the heart of the dynamics of the urban-rural problem, which is the announced subject of my talk, lies the pattern of migration of labor and the failure of the pattern of migration of capital to parallel it adequately.

We all have heard discussions of the nature of the movement of population of the poor from the rural areas into the ghettos of the cities, the migration of the middle class from the cities into the suburbs, the interactions which these movements produce, and the problems which they impose both upon the rural areas and upon the central cities, and indeed ultimately upon the suburbs themselves. We know, for example, that the migration of the upper and middle-income groups out of the city has aggravated problems of deterioration, because it is they who were prepared to invest in the city for their own sakes and because they were prime sources of the tax revenues with which the cities could help to fight the very problems which are accumulating into the urban problem we see today.

Thus, the migration problem does lead to the very difficulties with which we are concerned. But they lead to more than that. They lend a structure to the problem which, if overlooked, makes it very difficult for us to design adequate policy measures. Let me illustrate what I mean, trying to sketch out verbally a difficult and complex structure whose more explicit description would require a large blackboard bearing algebraic formulas. I will do the best I can without them. Let us, in order to be able to visualize what I am talking about, deal with a highly simplified version of the problem, deliberately oversimplified, because in

the short time that is allotted to me and my lack of equipment, I must confine myself to a vast oversimplification of the pertinent structure.

Consider, as an example, the migration of the middle class to the suburbs which I just mentioned. One can easily visualize, with the aid of this phenomenon, some of the nature of the dynamic process to which I have alluded. Assume, that at some point in time and for some unspecified reason, there begins an exodus of the middle class from the city. It is quite clear that, as I have just noted, this contributes to the problems of deterioration of the central city. For the departure of middle class residents means that they themselves will stop contributing to the upkeep of the real estate and they will no longer provide the taxes which they did before. But that in turn leads to a second round, because once deterioration has increased, as a result of the first wave of migration, in the next period more of the middle class will, as a consequence, be induced to leave the city. That is to say, the exodus feeds the deterioration and the deterioration feeds the exodus. One step leads to the next, and we end up with a dynamic process whose inexorability seems to have the character of a Greek drama, whose participants themselves are powerless to do anything about the process.

As I have noted, such a process can easily be described in mathematical terms. The only advantage of this translation is the following: Once it is described in such terms, it becomes clear that the intertemporal determinacy of this process is not merely an impression which the preceding words have left. It can be shown that in fact one stage does lead to another, and that once matters have started going downhill on such a path, they continue to slide ever further unless one is prepared to change the rules of the game so that the process itself can be reversed.

I want to be careful to emphasize that there is nothing inherently pessimistic about what I am saying. I am not implying that the process cannot be reversed. I am merely saying that the processes required to achieve a reversal are far more complex than is generally recognized. Unless this dynamic structure is taken into account, policy measures are likely at best to produce no long-run consequences, and in fact may very well produce consequences in the long run which are the reverse of what we are trying to achieve.

The engineer has long recognized that for a process that has such a dynamic structure—in

aerodynamics, in control theory, and in a variety of other fields, commonsense, experience, and intuition are very poor and undependable guides to policy.

What corresponding phenomena do we encounter in the dynamic urban process? We find programs of urban renewal, of slum clearance, in which city blocks are razed, areas are rebuilt, and 5 years later, instead of 50-year old slums, the area is left with 5-year-old slums. In many cases this has been recognized and the policymakers, as men of good will and good judgment, are shocked by the result of their efforts. But had they understood the dynamics of the process, they would have recognized an important component of the problem. What they have done is tantamount to trying to raise the final height of a ball which is rolling down a hill by moving the ball back uphill by 2 inches. True, the ball's altitude is momentarily increased thereby, but very soon it has rolled down as far as it was before, and further. Only by changing the slope of the hill, or by changing the location of the lowest point, can one really deal with the problem.

Unfortunately, the equivalents in urban policy of changes in the slope of that hill or of changes in the lowest points are not self-evident matters of common sense and judgment, but are issues requiring extremely complex and extremely demanding sorts of analysis. Such a dynamic process is not the sort of issue that can be handled by intuitive policy decisions.

Let me now turn briefly to my second topic. Having discussed the flows of labor, I turn to capital movements. Clearly, one of the principal difficulties underlying the problem of urban poverty is that capital movements have not paralleled the movement in human migration. The cities have not experienced what may be considered an adequate influx of capital to generate new housing, to construct new factories, to provide new jobs.

Our first instinct under such circumstances is to turn to Government and ask the Government to spend more—a measure that may indeed be appropriate—and to turn to private industry and exhort business firms to undertake better public works and to face up to their social responsibilities, all of which may also be relevant.

But the latter is surely in the nature of a palliative that is likely to have very little long-run effect. It has been said that if God had intended the corporations to be angels, He would have given

them wings. And it is often forgotten that an essential element in Adam Smith's "invisible hand" doctrine was a basic lack of faith in the efficacy of the good works of the businessman. The invisible hand passage ends up, it will be recalled, by stating that the businessman, "by pursuing his own interest frequently promotes that of society more effectually than when he really intends to promote it." Smith then adds, "I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed not very common among merchants, and few words need be employed in dissuading them from it."

If, in the long run, the problem is not to be solved by exhortation of business to be more public spirited, how are we to achieve the requisite capital inflows?

The answer is clear. We must look for the barriers to capital inflow, and begin to eliminate some of them. We must, for example, begin to change the structure of rewards and punishments that are provided by the tax system in such a way that public virtue is indeed rewarded and that public vice faces its just punishment. We must stop making it profitable for the slumholder to keep his property just as he found it, or worse still, to let it continue to deteriorate. The tax structure of today penalizes precisely the reverse sort of decision, for the man who rehabilitates a slum dwelling will generally find that its tax valuation has increased. Along these same lines we may note that it is more than a half-century since economists first began to argue that those who create air pollution and water pollution, those who destroy the public properties in these and other ways, should pay the costs that they impose upon society, by having taxes imposed upon them so that in fact the public resources are to them no longer a free good.

We should, in sum, reexamine the tax structure which, no matter what one does, has incentive effects that are produced willy-nilly, and redirect them in such a way that it becomes profitable for firms to do what the society wants them to achieve, so that the long-run interests of business management induce it to do what it is most capable of accomplishing, and of accomplishing so well under its own initiative. The business community's ingenuity, its energy, its efficiency are well documented, and these are the things which are effectively driven by the profit motive. It is precisely this, when appropriately harnessed by appropriate readjustments in the tax mechanisms

which—we can hope—will lead us to better things.

To summarize, population movements lie at the heart of the urban problem, and indeed also underly much of the rural problem. They transform these problems from once-and-for-all phenomena, susceptible to once-and-for-all solutions, into a self-generating cumulative disease, whose control requires radical arrangements in our economy.

Standard tools of analysis and plausible remedies are likely to be of little long-run help in dealing with the complexity of such a dynamic process. In particular, the flow of manpower contributed by this dynamic process provides a continuing accumulation of labor power in our cities with no corresponding accumulation in opportunities for its use.

Without the influx of capital necessary to employ that labor, these populations must continue to constitute a running sore in the body of our society, one whose dangers can hardly be overstated and whose consequences cannot be exorcised by proclamations that are calls to public duty.

Only through changes in the institutional arrangements that transform the city into a place attractive to new capital, that unleash the powerful forces of self-interest and free enterprise and induce them over the long run to do the task that they can do so well, will the cities cease to be the chronic invalids whose crisis threatens to become a permanent characteristic of our world.

Only then can we attain the self-sustaining city, the entity that maintains its own way and is no longer a drain upon our society, but rather is a source of contribution and enrichment of our lives.

Secretary FREEMAN. Thank you, Professor Baumol, for a very outstanding presentation.

By way of background in introducing the final panelist for the day, I suggest for your perusal the December 15 issue of *Life Magazine* which refers to a development in South Carolina I visited recently, the Congaree Iron and Steel Co.

This is the story of how one man, in a community 100 percent rural, began an industry that today employs some 400 men at excellent wages, each of whom had to be trained. It is an exciting story, one which I think needs to be done in many places around the Nation.

We have heard today from people who are on

the political firing line; we have heard from writers and those who have provided leadership in the academic world and in government. It is appropriate we should hear from one of the outstanding leaders in American industry, speaking on this same topic of capital-labor mobility.

The next speaker is the president of Litton Industries, a native of California, and an M.A. graduate of the Harvard School of Business Administration. He is the driving force behind a great industry.

He has also given generously of his time in service to his community and to the Nation. At this time I am delighted to introduce the Chairman of the Board and the president of Litton Industries, Mr. Roy Ash.

MR. ASH

Thank you, Mr. Secretary.

The comments that I will make are probably not as learned or erudite as those you have just heard, because I am merely involved in moving some of that mobile capital that was referred to and will speak more from a pragmatic point of view.

The comments I intend to make I do not necessarily advocate but will be putting some of them forth primarily as different ways of looking at the problem.

In fact, as Secretary Freeman said earlier in the program, the speakers today will discuss alternatives. I am not sure there are absolute solutions to the kinds of problems that confront us and our best thinking can only come from a discussion in depth of the alternatives. Even after that discussion we won't know all of the answers until a lot of further detail work is accomplished.

Dr. Baumol mentioned the role of industry as it relates to some of these problems. His comment that industry is not expected to wear wings is a valid one; in fact industry doesn't serve society if it views its job as such.

There are, however, a number of things that industry can and should do. It, in effect, is an agent of society, and as an agent must perform according to the wishes of its principal or customer, that society. Philanthropically, it does give of some of its resources in a wing-wearing sort of way. But that doesn't really lead to the greatest single contribution industry can make.

Industry, through its leaders, can also contribute its thinking, advice, and influence. Not that its advice is valued highly in some quarters, but nevertheless there are some excellent lines of thought coming from its members on subjects such as today's. Even though we spend our day-to-day efforts in an industrial environment, we are still at the same time a part of the greater society and do feel, as citizens, that we have some insights and understandings that can be useful.

But the most important thing I think industry can do is that of harnessing its full force, its full managerial capabilities, its full resources, toward the new kinds of problems that are no less a market for the management and resources of industry than our other public sector programs are similarly markets for industry.

As viewed by industry, defense and space are clearly "markets," even though they are public sector ones. There is no less reason for our current public sector requirements to become markets of industry than there is for the most important public need of all—defense.

Dr. Baumol mentioned that the migration of capital may not be paralleling that of labor, that is into the cities. That probably is a fact, because capital follows, or is guided by, some fundamental principles of economics. These are taking it elsewhere.

Basically, capital is the most mobile of all resources. It will go to the place of greatest economic attractiveness. The economic law that bears upon the mobility of capital, just as laws of physics bear in their field of science, is that capital goes where the investment-benefit ratio is the most favorable. In following that inexorable law, in recent times particularly, there has been an increasing amount of industrial, job producing capital attracted away from the central city areas. In recent years greater proportions of new capital have been invested outside the core cities, not because the land price was too high in central areas, although that is a factor, but it has been invested in rural areas for some other quite natural reasons. It has gone there, first, because the technological changes which have served us so well, those in transportation and communication, have made possible the use of land outside central core cities as an alternative equally suitable for plant location as are sites in the city.

The ability to communicate over longer distances, with the ease that we used to have only in

the central cities, the ability to transport the goods of industry, whether coming in or going out, and to transport the workers themselves, have clearly made suburban and rural areas very viable and very acceptable alternatives for the investment of industrial capital. In fact, these technical developments have not only made suburban locations acceptable alternatives, but in many ways have made them better alternatives.

The very congestion in cities due to the concentrations of people has in some ways inhibited efficient transportation to the point that there are serious economic disadvantages to industrial plants located in the central cities.

But over and above transportation and communication, the key to plant location is that related to the labor force, to the labor element of cost of goods manufactured.

In labor intensive industries, and I think it is useful that we generally look at labor intensive industries when we talk of employment matters, the cost of labor may be the most important element of the total cost of a product. And when I say the cost of labor, I am not talking only about cost per hour. I am also talking about the productivity of labor, which may range more widely than any variation in cost per hour. Because of the labor mobility to which Dr. Baumol has referred, there has generally been left in the center of the central core cities labor that is less skilled and with work habits and work attitudes which result in a very low level of productivity generally. For, by a self-selection process, the more venturesome, enterprising, energetic and able have moved out of downtown.

I am not attempting to place particular and personal blame on those who are less productive, and thus who are "high cost" labor notwithstanding their rate per hour—if employable at all. But such "high cost" labor does not attract capital. As the more venturesome and opportunity oriented have, in recent times, gone to the suburban areas, so industrial development is also taking place outside of the city. The venturesome, the productive labor force has tended to attract capital along with it and has left behind the distillation, in effect, of those who were less able and motivated to produce, who were more security-oriented than opportunity-oriented, those who were in their less productive ages and those whose physical abilities or mental abilities were more limiting.

So, even if industry were provided free plants

in the centers of cities, the problem would not necessarily be solved, because the capital cost of that plant could well be dwarfed by the excessive costs of unproductive labor—excessive not on cost per hour, but due to the habits, attitudes, and skill deficiencies of so many of the people that would comprise its work force.

The basic problem, then, is one of a group of people in the central cities that has, by a distillation process, become the less productive of our society. And if we are to solve that problem, we must face it squarely rather than suggest that if there were only capital some way or other brought into the core cities these people would be employed.

A point was made by Dr. Baumol about housing, one of the major problems of the cities, and also related to the mobility of capital. I would like to make an observation as it relates to low cost housing. Not that I am particularly a champion of this idea, but I merely point it out as a way of looking at the problem. And maybe in the process of looking at it that way we will have some better ideas.

Think of the analogy of the automobile which has provided transportation for so many of our people—including low income ones. If we were attempting to produce new low cost transportation, say \$200 or \$500 cars, new cars, for those that could only afford \$200 or \$500 cars, what would they have? Not much, if anything at all. But why have we such a supply of low cost automobiles for those that can pay \$200 or \$500 a car? Primarily because of another industrial and social phenomenon that has been disparaged many times. That is the practice of the automobile manufacturers continuing to make obsolete each year's car. But in the process of making last year's car obsolete, that car filters down with considerable price reduction, thus making available good transportation to others at \$200 and \$500. In fact, the second or third buyer is probably getting a transportation bargain as those who were willing to buy the new \$3,000 and \$5,000 car suffer substantial economic loss merely to enjoy its status and other intangible benefits.

Through the production of more and more new cars at the higher end, we are in fact making possible a considerably greater value of automobile transportation, for those who can only afford less, than if we attempted to build a new \$200 or \$500 car.

I merely suggest that the answer is not only to build new low cost housing, but also that the more

we keep our construction industry viable and going generally, for big houses, medium houses, all kinds of houses, the more in turn we will have available to meet all levels of income. For that matter, we will be able to buy more for the money, up and down the scale, than if we were to attempt to find the answer solely in new low cost housing.

Thank you.

Secretary FREEMAN. You have been a most responsive and attentive audience. In the course of our discussions there have been some differences of opinion expressed. This is not a subject that lends itself to easy categorizations. But it is time, I think, to probe some of these differences and to bring additional ideas into focus.

Our purpose has been primarily to stimulate a national dialog on this total picture, to begin the development of a purposeful national policy and direction.

What do we do—if anything—then, to follow up this conference, which will close tomorrow noon?

Are there any comments or questions?

QUESTION: My name is John A. Hawley, and I am from Southern Illinois University.

Mr. Ash, would you please tell us what you feel is industry's role in helping the less productive become productive?

Mr. Ash. Yes, I think there are a number of ways in which industry can become involved in helping the less productive become productive.

The Job Corps Centers are one, where many industries have become involved. That is not to say that all of those operations have been resounding successes. Attempting to accomplish this job has required a lot of learning by industry itself. We have had to do our own experimenting, our own learning.

Similarly, there have been some Department of Labor efforts on an experimental basis, that have had some value in this regard. Although I don't know what the final answers have been, the program has been aimed at transporting central city residents and their families to rural areas having job opportunities, at an average of \$500 cost each, which is low relative to the alternative cost of

maintaining them without employment in the central core cities.

This program has been one combining the efforts of the Department of Labor and industry. The awaiting employer is industry, of course.

In our own company in Hartford we have undertaken a program within the last few months by which we have productively employed out of the central core areas of Hartford a number of hundred employees that otherwise would have been considered marginal workers. Through local church leaders and other community leaders of the employee's home areas, we let it be known that—and Hartford at the time was a tight labor area for skilled employees—we would open job opportunities for the completely unskilled and provide them the necessary training and skills to do the jobs.

We were overwhelmed with applicants, partly because one of the problems of this particular group of people is their lack of knowledge of opportunity. The opportunities were not merely made known by newspaper advertisements, but instead through the channels in which the workers have confidence. Communicating through such channels adds a measure of credibility.

Many of us would respond to advertising, but you can well imagine there are some people who have not had any great success in their work life who are afraid of these formalized ways of communicating. So we have used the informal channels of communication, the ones that have a special credibility to them. The result has been very good.

Then, also, we have opened plants in rural areas, and have had no trouble in developing work skills in an indigenous work force. The key has been work habits and work attitudes. If those are present, or can be with some counseling, a truly productive labor force can readily be developed by industry itself.

Speaking of the Job Corps, much of its work is to develop work habits and work skills, which we feel industry can do better than public agencies. The student in an industrial environment is coupled closely to the real world, one that he will be working in and living in. In fact, we would think there is more reason for industry to be a central part of programs to impart this kind of capability than public educational organizations.

The essential elements of training for productivity boil down to ones of work habit and attitude, and entry skills, all imparted by close industry coupling.

QUESTION: My name is John Shearer, and I am director of the Manpower Research and Training Center at Oklahoma State University.

Just a few months ago I moved from Pennsylvania to central Oklahoma, an area which a previous speaker said should wither up and blow away. I just had my first question largely answered by Mr. Ash. I would like to pursue a similar question a bit further both with him and Professor Baumol.

I feel as you do, that labor productivity is not a constant—you said this, but now you have just changed it. I think industry has done very remarkable things when faced with tight labor markets in developing and utilizing very effectively, often very unpromising labor forces.

Now I would like to ask both of you gentlemen what system of tax incentives do you think is most likely to maximize this tremendous potential which private industry has through management organization, through industrial disciplines, through systems of incentives, to do the kind of things that we want to do with unpromising, low-productivity labor forces?

Dr. BAUMOL. I am very glad you asked that question, because it brings up one consequence of what has just been said.

There is an important difference between what happens in labor-shortage areas and in areas where there is no labor shortage. Industry has been very good in working in both. For example, the Bell System has set up a program of training of minority groups, even in areas where it has had labor available to it, but there it becomes something in the nature of a social contribution and the funds it can devote for the purpose are, by regulatory stipulation, very limited. It is doing a great deal by any standards, and yet it cannot be expected to engage in that sort of training indefinitely, when it can get employees much more cheaply by picking them from the pool of skilled labor that is available in those areas. Therefore, if one hopes that industry will continue to do this sort of work, and expand these efforts, to which it is so well suited, then some sort of incentives have to be provided to make it profitable for them to do so.

One obvious type of incentive might be to allow a special tax deduction for part of such an expenditure, or some differential between that and the expenditure that has to be made for normal labor force.

In other words, I do think that it is important to provide some special financial incentives making it less of a cost to private industry to train the unskilled, relative to the cost of hiring people who are already trained.

Mr. ASH. I would add just a small comment to that if I might.

Sure, industry can do this kind of work, but if it is done at its own cost, the result is higher prices for its products. The job should be a proper cost of all of society, rather than just the customers of that particular company's product.

You mentioned tax incentives. It need not necessarily be tax incentives. Other forms by which society might bear the costs of training could be equally as effective. One of these would be applicable to special training of that part of the labor force whose capabilities for productive employment are of less value than the stipulated minimum wage for whatever employment they might undertake.

Rather than having those people remain unemployed and fall totally on the welfare roles, why not a contract by the Government with industry to employ and train these people, the worker receiving the minimum wage, and the Government paying the employer the difference between the person's productive value and that minimum wage. It might further provide that within 6 months, or within a year, the employer must put that person on to a full wage for that particular job, so that in effect an employer doesn't forever just have a subsidized labor force.

Dr. BAUMOL. One more word on the subject. Here is a typical problem in which one of the difficulties of private initiative without some sort of assistance arises out of the fact that the firm which trains a labor force provides skilled labor to its competitors. No firm is really in a good position to do it in isolation, just as no one landlord is in a position to upgrade his house if he is in the middle of a slum neighborhood, unless some other landowners nearby are prepared to contribute to the upgrading of the neighborhood.

This may mean that one way of approaching some of these matters, one way of helping, is to encourage the formation of industrial consortia, that is, for these purposes only, if you wish, a suspension of the regulations which prohibit collusion (to use a nasty term) in order that industry as a

whole may do something which is profitable if it is done by a large group simultaneously, but which no one individual firm can afford to do.

QUESTION: I am E. W. O'Rourke of the National Catholic World Conference.

I would like to address my question to Dr. Baumol. The conversation thus far today seems to presume that the only way in which low-income people can improve their economic lot is through some improvement of their employment and the wages and salaries that are derived from employment.

As we well know, there is a second source of income, ownership of capital, and as time goes on that becomes an ever-increasing source of income. So much so, that we might ask very seriously if we are going to be daring and if we are really going to look into the year 2000, is there, for example, Dr. Baumol, at Princeton, any serious thought about two-factor economics, any serious plan about making productive property more widely owned, even by the poor people?

As you recall, a century ago, when Mr. Lincoln was President, the land policies of this Nation made the holding of land very widely distributed throughout the populace and that helped to make a great agriculture. Is there anyone at Princeton today, Dr. Baumol, with the vision of Lincoln?

DR. BAUMOL. Oh, surely not. But the Economic Policy Council of the State of New Jersey, of which I am a member, is about to announce an award of a grant very shortly, a grant to a group in another college in New Jersey, whose objective will be to plan in just the direction you mention.

But let me add that here, too, I think, is to be found changes in the rules of the game. After all, private ownership by the so-called disadvantaged groups cannot be achieved on any substantial scale so long as they are considered to be poor risks and therefore the standard financial institutions are not prepared to provide funds to them on reasonable terms. Again here we have a process in which one disability leads to another. These persons are poor risks because in fact they have no financial sources and they have no financial sources because they are poor risks, and only society can provide the change in the rules of the game, the special borrowing opportunities that can produce the first break in that vicious circle.

QUESTION: I am Ed Kiley of the National Association of Rural Electric Cooperatives. I would like to direct this question to Mr. Ash, on the subject of labor and possible placement of more industry in rural areas.

I have been continually amazed at the lack of accurate statistics on the labor market that exists in rural areas.

Just recently a small plant locating in North Dakota, advertising for some 30 people in an area that was labeled as having no unemployment or relatively no unemployment, had something like 400 applicants. The same thing was true in a statistically "low unemployment" area in Mississippi. In this case there were about 500 or 600 applicants for about 200 jobs.

At lunch I talked to a man who was discussing a new industry in a North Dakota town of 300. He said that they have now been so successful they have dried up the labor force. But it was interesting to note that he was talking about a labor force of 350 or 400.

Now I am more interested in that there are 350 or 400 people gainfully employed in a town of 300. It seems to indicate that there are opportunities for labor in rural areas that are not visible. And I am speaking now about highly trainable labor.

I personally believe that there are great opportunities in every section of this country that I have seen. I have found tremendous opportunities for industry that apparently industry is not yet aware of. I wonder what you think are the most important things for the expansion of the industry that is going to provide jobs for the 100 million population increase in the next 35 years?

MR. ASH: From the experience of my own company, the greatest attraction of communities such as you mention has not generally been any financial inducements provided by that city or community. Instead, we value more highly the qualifications of the labor force in that area. Even though without specific skills, we have found that many rural workers have the work attitudes that, with training, can more than pay for all of the efforts in qualifying them as productive employees.

About 8 years ago, or so, we were looking for a new location for a plant making exceedingly advanced technological products. We chose Salt Lake City, which to that time had nothing that would be considered technological in the skills and

capabilities of its work force. Our experience has been so successful that we built a second plant in Salt Lake City.

Basically, the reason was simple. The indigenous work force, even though previously unskilled at the particular technology, was highly educated and highly motivated to work a full day's work for a full day's pay.

QUESTION: I would like to address the other side of the rostrum, Mr. Secretary. First, an assertion, then a contention, and then finally the question.

The assertion being that the so-called disadvantaged, the economically deprived, have found themselves in the core cities and have become very visible because of their collection at that point.

The contention being; if they did not have this visibility in our society, they conceivably would be unnoticed in terms of their deprivation at this time.

If we move from a more urban setting back to a rural community, what are the guides that are going to keep our society from putting them out of sight one more time?

The question is to Dr. Ylvisaker or Dr. Bishop. My name is Chet Riley, from the Colorado Department of Education.

Dr. YLVISAKER. I am struck by how invisible the supposedly "visible" are. The census underestimated the count of Negroes in the central city between 10 and 15 percent the last time around, and that has been fairly regular.

Second, we have pretty well devised our suburban structure and our commuting system so that this group has been invisible for a very long time.

Since 1963, and particularly since last summer, one might say their plight is "visible." They become visible in the form of violence and headlines in newspapers, which doesn't describe this population at all.

Now the question is, how can we avoid the rural poor from remaining invisible? For they have been overshadowed in the last year, despite some of the extraordinary reports that have come out, such as the one cited today.

I regard that as a secondary question. The first one I see is that we are beginning to push them aside—not only the rural but the urban poor—once more. Examples are the poverty program's being downgraded, and more and more talk about the sacrifices necessary for Vietnam.

I have a general feeling the country is pushing this aside. And perhaps the reason, basically, is that we sense what was described this noon by Barbara Ward as being a sacrificial element here, or what Mr. Baumol described, as a need to change the ground rules of the system.

Somehow these people by their presence have to make America sense what has to be sensed, that they exist as a product of the system—not so much as a product of their individual behavior. And that is the system of which we are a part; our values, our virtues and the rest, cranking this out.

This is the finger I am trying to put on poverty at both the urban and rural level. Some of the sacrifices required are going to be a lot greater than we have talked about in the last 3 hours. It is not a sacrifice, necessarily, to give a tax incentive.

Another thing that discourages me are elements of the movement of industry to rural areas. Without being too particular, my feeling and understanding is that much of the movement of industry to rural areas has been, really, to perpetuate low wage structures. So we are building in poverty, actually, into some of these rural areas by the wage structure.

The plight is not a pleasant plight for the American to behold, and he has been playing ostrich with it for a long time.

Since the riots last summer we play ostrich on the excuse we "ought not to reward rioters. The squeaking wheel should get no grease"—and that violates all canons of politics I have known in America since the Year One.

Dr. BISHOP. From our experience in the National Commission on Rural Poverty, we observed what I would call a mixture of rising hopes and shattered expectations among the poor.

You find more hope, I think, among American Indians in terms of the poverty program, perhaps than in any other group.

I think, Dr. Ylvisaker, you probably find more hope among the people in the central cities than you do among the people in the rural areas. The people in rural areas know that they are not being heard. And as I said—and tried to say vividly—earlier, the low income white in this country is not organized, whether he be rural or urban.

I was amazed to find, for example, in my own county, Wayne County, N.C., we had some 1,200 people in the Work Opportunities program, 95 whites, the rest of them blacks.

The antipoverty program in this country, unfortunately in my judgment, has come to be termed a "black program." So that we are not getting to a lot of the poor people with these programs.

Now, whether they will get the message that these programs are for them, whether they will begin to participate, or whether they will take more initiative in becoming a part of them, I don't know.

I am concerned that we are going to have more "action" in the rural areas because I think most of our dramatic ways of demonstrating against the system to date have been in the metropolitan areas. And the same problems that exist with the system

in the metropolitan areas exist with the system outside of the metropolitan areas, except perhaps even more so.

Dr. YLVISAKER. If I could add this: There are more people who are becoming more visible. The aged poor are often completely invisible, in the nursing homes or whenever they may be in the rural areas. So, certainly, are the youngsters.

One of the reasons I have been interested in having the vote dropped below 21 is to give more visibility to some of those below this age level, so they can express themselves. I think America has a very incomplete view of its poverty.

MORNING SESSION

December 12, 1967

NOON SESSION

Secretary WEAVER. It is my distinct privilege this morning to present someone who doesn't need really any introduction. But I cannot resist recalling that one of the speakers yesterday quoted Lincoln Steffens as saying a mayor, after he was elected, should not run for reelection; he should, after his first election, run for and be elected to the Senate.

It happens our speaker this morning was at one time a professor of political science and I am sure he encountered that advice. He didn't follow it exactly, but almost. He ran successfully twice, was elected mayor of Minneapolis, and then was elected to the Senate. And since that time, we all know him to be one of the most knowledgeable men in this country, and certainly one of the most articulate public figures in this country.

Ladies and gentlemen, the Vice President of the United States.

VICE PRESIDENT HUMPHREY

Thank you, Secretary Weaver.

"Communities of Tomorrow" is not an academic subject. We are already losing ground. The communities of tomorrow should have been planned a long, long time ago; and because they were not, we find ourselves today being run over not only by an urban crisis, but, as we find from the report of the Commission on Rural Poverty, by staggering problems in rural America too.

Now, Americans have built a great Nation because we have been willing and able to look outward to broad horizons and beyond—beyond the oceans and beyond the Appalachians, beyond the Plains. From the beginning, we carried our heads high. We have been a people of the horizon, so to speak, always reaching out. Our philosophical and spiritual horizons have been just as vast as our land: Freedom to worship, to write, to speak, to teach, and to think as we choose. These spiritual and physical horizons have produced a new kind of man, one with unbounded faith in his capacity to overcome any obstacle, and also one that is open, open in thought and conscience, open in spirit. This has been the real reason for the greatness of our Nation and of our people.

Thoreau put it somewhat modestly. He said, "Our horizon is never quite at our elbows." He saw that Americans needed some wriggle room, so to speak, for minds and body and spirit.

Today, however, many Americans find their horizons constricted. The elbowroom is gone. They feel as if they are in a prison—sometimes the prison of poverty, sometimes the prison of discrimination, oftentimes the prison of neglect. Many who live in the inner cities are hemmed in by dirty tenement walls. Their spiritual horizons are crushed by broken homes, and, all too often for a nation as rich as this, by grossly inadequate education. Their ability to look to the future is often curtailed by the necessity of subsisting for today. Their plains are littered alleys, their oceans polluted water, their space the noxious product of industrial smokestacks.

Many who live in the suburbs have at their backs the blighted city they have just left, and see before them a vast expanse of split-level, synthetic sameness. The bulldozer has eliminated the landscape. The educational and economic horizons in our suburbs are open as never before, but one has the feeling that the long ride home in the rush-hour traffic is cramping.

Many who live in the rural areas find that even they cannot enjoy their horizons because the beauty of the countryside isn't what it was in the past. You know, most of the poets that wrote of the countryside wrote in another century. The report of the President's Advisory Committee on Rural Poverty that was released over the weekend notes that one rural American in every four lives in poverty. The average rural youngster gets about 2 years less of education than his city cousin—and there is also the question of its quality. One-third of all rural homes need either major repairs or replacement. Rural America has half the doctors and less than one-third of the dentists that minimum standards would require. Until the rural poverty report came out, poverty meant poverty in the urban ghetto. Health needs meant the health needs of people in tenements. Bad education meant bad education in the city. The Commission on Rural Poverty has given us the shock treatment that may offer us some perspective. They have told us that there is something going on outside the cities. This shouldn't in any way put the cities in second place. There isn't any competition of interest here; what there is is competition of trouble.

Rural poverty means that over half a million rural residents are drawn or forced into urban areas each year—most not because they choose to go, not because they are pursuing horizons of hope, but because they are forced to go. I believe that

every American ought to have freedom of choice—real choice. That is the essence of democracy. And in this context I was not surprised to see a poll that appeared in the Minneapolis Tribune a few weeks ago showing that a great many of the urban residents in our State would far prefer to live in a small town or on the farm.

True, grinding poverty of the purse is being reduced in America. Seven years ago, 21 percent of the American families lived in poverty. We now know that this is down to about 15 percent. The number of nonwhite families earning over \$7,000 has doubled in that period. More Americans are going to college than ever before. More are eating better, dressing better, driving cars, using telephones, owning homes than ever before—and I like it. Those are good signs.

All of this has meant unprecedented comfort for men but it has not meant broader horizons. A few years ago a Pulitzer Prize-winning poet wrote of his fellow Americans: "We cannot bear the stars anymore, those infinite spaces" * * * "The open road goes to the used car lot." Perhaps things are not yet as bad as that for the vast majority of us. But what about tomorrow? Will our horizons once again be "beyond our elbows," as Thoreau put it?

Thomas Huxley, who visited this country a century ago, wrote: "I cannot say that I am in the slightest degree impressed by your bigness, or your material resources, as such. Size is not grandeur, and territory does not make a nation. The great issue is what are you going to do with all these things?" Huxley's question is the question you are wrestling with at this conference.

Let me offer what I consider a brief checklist of things I think this Nation will have to achieve if its communities of tomorrow are going to provide horizons that are truly up to our traditional American ideals.

First, a truly open society with equal opportunity for all, regardless of race or creed, in every community. You must start with that or you are running uphill all the way and falling into ditches. An open society is going to have to mean open housing. Only about 50 American cities have open housing laws today, and it is my considered judgment that until we have open housing, most of the social problems we are wrestling with today in our great urban areas will be unsolved. There has to be freedom of movement.

We are going to have to overcome the vestiges

of discrimination in employment and promotion policies in industry and organized labor. Ending discrimination is not merely desirable; it is a practical necessity. When today's manager or entrepreneur looks for a town in which to establish a new factory, he is unlikely to choose one where local government and the courts tolerate injustice, where discriminatory labor practices and housing practices may prevent him from winning Federal contracts, and where his Negro executives will not find adequate housing or decent schools for their children. If we really want our communities now to blossom, we must get rid of the weeds and open up the garden for people to bloom with their own ability and capacity.

The second item on the checklist is quality education for every American child. Education is not just the business of the teacher. The teacher is only the frontline agent. Education is the requirement of the family and of the community. I doubt if there are many inner-city neighborhoods in America today where the schools provide their pupils with the full opportunity to throw off the crippling burden of a deprived background.

Instead, our best schools are in the communities where other advantages are also the greatest. In the communities of tomorrow the best educational opportunities are going to have to be where they are needed the most.

America has pioneered in public education; and public schools, more than ever before, must be brought to the highest standards. I think that most of us, however, in view of the nearly disastrous shortage of educational facilities in some neighborhoods, realize that public schools alone are not enough, and recognize the necessity of using the existing private and parochial schools to the full. The Elementary and Secondary Education Act passed in 1965 authorizes the Federal Government to use funds to assist disadvantaged children in nonpublic schools. Now, States and local communities must follow that lead. The important thing about education isn't where the child goes to school. It is what kind of education the child gets. A variety of educational opportunities, competition among various kinds of schools for excellence rather than competition for inadequate funds—that is what will broaden educational horizons.

Third, we need a far-reaching national policy on urbanization and the machinery to implement it. We anticipate today that our population will

grow by 100 million or more before the year 2000 and that all of the additional numbers will live in the cities. With that prospect, the haphazard urbanization that is still going on in this country is no longer acceptable.

I know you will be discussing the "megalopolis." What that word means is that there are too many people living on too little land. It means that there is an accumulation of buildings and people and facilities that has not been planned. It means that there is a big, big problem that we must unravel in order to make a livable society. I do not want to see us run away from megalopolis. There is a tendency, in talking about what we have, to say "let's forget it. Let's get out; let's run away." And that has happened. White people have left the cities and Negroes have come in, leaving the cities without an economic base. Instead, I want to see us deal with what we have. Our cities could have all of the ingredients for magnificence. We don't need to take a bulldozer and run over them; we don't need to run away from them as the farmer of the early 1800's ran away from the land that had been bled white and eroded. I am not advocating that we retreat to the rural plains and mountains. I am advocating that we redevelop our cities as they are.

Metropolitan planning is now going on in many places and the Federal Government insists that its grants be used only in the context of such planning. Still, one of the greatest needs in this country is to reexamine every State constitution and every city charter in order to equip these governmental subdivisions with authority and flexibility, with modern public administration techniques. You cannot build communities of tomorrow with State constitutions of the 19th century and the 18th century.

Now, looking beyond megalopolis, I urge this conference to consider the possibility of establishing wholly new urban centers capable of accommodating a large part of our anticipated population increase. The location of most of our present cities, as you well know, was dictated largely by geography, by industry's need for water or rail transport and for natural resources. That is why so many of our great cities are on the banks of the rivers. But the 20th century is the age of the short-hop jet, rapid truck transport, electric power that can be delivered efficiently over hundreds of miles and generated easily at the most remote site. Moreover, ours is an ever-increasingly

service-oriented economy. Today 40 million of our workers hold service jobs and only 17.5 million are in manufacturing. Much of the manufacturing consists of modern, light industry that can thrive almost anywhere, rather than the traditional heavy industry that is tied to natural resources and low-cost transportation. Today, therefore, it should be possible to provide the economic base for new communities almost anywhere that we choose.

I know that there must be an optimum, or minimum, size for a viable community. We need to find out what it is.

Where should these new urban centers be built? Many could undoubtedly be built on the sites of existing towns; and, indeed, that is happening today where local governments have taken the initiative in revising their taxation and zoning policies in order to attract new industry. I was interested to see that eight of the 63 Model Cities grants recently announced by our distinguished Secretary, Mr. Weaver, went to cities and towns of fewer than 50,000 people. Those model cities and others like them can provide an important part of America's answer to the megalopolis. Towns built from scratch, like Reston and Columbia, offer another possible model for Communities of Tomorrow. With 70 percent of the American people living on 1 percent of the land, there are a great many places between the Allegheny Mountains and the West Coast where land is cheap. I travel across this country about as much as any man in the Government, and there is one thing that impresses me: Its emptiness; its vast, vacant areas. The policy of the Federal Government can do a lot here. If the Federal Government makes up its mind to use some of its resources, new towns come into being, as happened in Huntsville, Ala., or Oak Ridge, Tenn., under TVA. I would like this conference to consider the possibility of a Federal New Cities Act designed to do for America what the Homestead Act of the 19th century did—move people out to the rich areas of this Nation that are still waiting to be developed. Some of those new towns might be built as satellite cities just beyond the raveled urban fringe of our present megalopolises. By providing services, jobs, and economies of scale, they would unify the existing outer suburbs of some of our largest cities and give them shape and character. Already the Federal Government has financed a study at the University of Minnesota on the subject of "New Cities." National experts, faculty and students are

preparing a report on a new and independent city in a completely nonurban area. The project, known as the Minnesota Experimental City Project, is an example of the new partnership between the private and public sector which is necessary to solve the basic problems facing our nation. One-fourth of the cost of this study was financed by the private sector and one-fourth each by HUD, HEW, and Commerce. The report could become not only the first step toward a new city that would be a laboratory for others, but could be the basis for a new approach to the problem of rural-urban migration.

The fourth item I consider important for you to keep in mind is that we must preserve and enhance the rural alternative in this age of rapid urbanization. As I suggested earlier, many of our city dwellers today would much prefer to live on a farm or in a small town or small city if they could do it without sacrificing opportunity, income, quality in education, and the conveniences that go with a modern American standard of living. A thriving city usually means more prosperity for the adjacent rural areas. That has been the case in most of the northeast, in the Piedmont of the Carolinas, and elsewhere. It means that the farmer can get more credit. It means a growing market for his agricultural products and new opportunities for supplementary off-the-farm employment. Above all, the value of the farmer's land rises.

However, trickle-down prosperity is not enough if we are to assume a meaningful choice between city and country living. Rural America must become economically viable in its own right. Farmers must be paid for their product. The worker, in his union, bargains and he charges so much for his labor. The farmer "gets" so much. The language of the commerce tells what is wrong with agriculture. Today, the average American farmer receives a smaller return on his labor and his capital investment than the average urban entrepreneur.

In addition to better farm incomes, rural America needs new industry to provide a variety of job opportunities and new income to supplement and to maintain its economic power and viability. At a time when rural land prices are a ninth or less of urban land prices, when modern industry has unprecedented flexibility in its choice of location, manufacturing should be able to thrive in rural America. Rural America's pressing need for health, educational, and social services, clearly

spelled out in the report on Rural Poverty, requires a concerted attack by government and private industry at every level. But permanent solutions—thriving Communities of Tomorrow—will depend on a healthy and growing rural economy, not on government handouts, government policies alone, or the trickle-down economics of a rich urban society.

You who are going to convert the communities of today into the communities of tomorrow, or build new ones, will have to talk about much more than civil rights or even education or dispersed urbanization or improved rural conditions, the four points I have mentioned. You will also have to consider health facilities, better utilization of land for development and recreation, zoning, transportation, preservation of open spaces. You will have to figure out what combination of Federal, State, local, and private cooperation can achieve the kind of comprehensive national effort that will save us from the human and economic cost of haphazard urbanization. You know about the 450 Federal programs designed to assist local governments, large and small, urban and rural, in meeting the vast array of local problems. On top of these separate programs we now have a new one, the Model Cities program, which I believe offers great promise if properly implemented at every level, designed to draw all available resources, public and private together, to a comprehensive attack on the whole spectrum of ills that constitute urban blight.

What additional Federal effort will be needed to build the communities of tomorrow? I have mentioned the possibility of a New Cities Act. What about a Federal bank to help finance development corporations at the State and local level? What about a swift, computerized, nationwide employment service designed to inform workers all over the country of employment opportunities in newly-developed urban areas? There is a mobility today. Why not take advantage of it?

Although the Federal Government will be an important instrument for your coordination and for financing, the real work of development is going to be left up to the State and local governments and to the people themselves. It is in the local communities that the detailed planning will have to be done. The local communities will have to take the initiative to attract new industry, build new schools, and assure their citizens of an active

role in determining the future of their communities.

And may I say, I mean all the citizens. People who have never had the chance to speak may have some good ideas. What is more, if they feel that they are a part of the design, that they have helped create it, then it is theirs. It is going to be to the people themselves, like the pioneers of the 19th century—it will be these people who will do the actual home building, enterprise building, and town building.

A century ago one great American, Walt Whitman, wrote these words: "I take to the open road, healthy, free, the world before me, The long brown path before me leading wherever I choose."

That is what we are talking about, "the healthy road," "the long brown path before me leading wherever I choose"—not where you compel me to go, not where the economic or social structure compels me to go, but where I want to go—freedom of choice, an open society, an open mind, an open heart. I believe the breadth of spirit reflected in the lines of Walt Whitman can and should belong to every American before the 20th century is out. I believe that is what we should accomplish in the "Communities of Tomorrow."

SECRETARY WIRTZ

Thank you very much, Mr. Vice President.

It is with full compliment to all of the other speakers that we note the fact this meeting has been graced by two people whom I think of separately as one of the great masters and one of the great mistresses of the English language. We had Barbara Ward here yesterday noon and now, Mr. Vice President, we have had your participation in this conference today.

This problem has been developed in a number of ways and in various terms.

When the Vice President said that he didn't know all the answers but he sure knew the problems, there was an empathy in the room in which we could all join. I suggest it is now time to shift our gears, to try to take a specific look at some of the possibilities which lie ahead.

Vivian Henderson most of you know as the President of Clark College in Atlanta. The rest of you may not know of the record of service which Vivian Henderson has given, not only in the aca-

demic world but to the Government of his country. Vivian Henderson has served repeatedly and most productively on a number of high level task forces. He is currently engaged in our area as the chairman of one of these.

Beyond that, just let me say this. I believe one of the great integrating forces in the world is excellence—because it arouses and creates a respect which pushes small thoughts and bigotry aside—and it is through excellence that a good deal of the integrating force of the world today makes itself felt.

In terms of excellence as an integrating force, it is my very real personal privilege, because ours is a close friendship, to introduce at this time one of the great integrators in the world today, Dr. Vivian Henderson.

DR. HENDERSON

Thank you very much, Secretary Wirtz, Secretary Weaver, Secretary Freeman, and other members of the panel.

It is unfortunate the order was reversed and I find myself following the Vice President of the United States. This is a very difficult thing to do, because he has laid out in very broad and in many instances specific terms much of what I wanted to say this morning.

Nevertheless, let me try to pinpoint one or two things that may be of concern to this group and may help us in terms of understanding the problem as well as trying to project the future.

First of all, I am quite concerned with the fact that we are talking about communities of tomorrow, and we are talking about this primarily because of what is happening to our cities of today.

Basically, whether we want to admit it or not, we are really talking about what is happening in terms of the large concentration of low-income people, and particularly Negroes, or if you please, black people, about what is happening in terms of the manipulation of these people and trying to bring about a better life for the poor, and the black poor.

We are talking about a goal that involves a livable environment, and a place where each person can be a productive citizen.

And I have suggested in my notes here that we are concerned about this today because we have come to recognize that we are experiencing a hap-

pening. In the hip terminology, this means, as I understand it, something that just happens.

Well, the happening that we are talking about is a conglomeration, so to speak, of people, a culture, various subcultures, various kinds of mentalities, that is city mentality versus other kinds, a variety of institutions, including governments, local and State, educational institutions and churches and businesses, and a variety of habits and customs, which include or involve how people live and the extent to which they can be productive citizens.

To a great extent we are saying that this happening really just occurred, occurred without planning or without systematic projection.

I would like to suggest that maybe this isn't exactly true. One of the reasons that we have such a difficult problem is that a great deal of this did not just happen without planning. We must recognize and come to grips with the fact that much of it happened with planning, with motivations, and with certain thoughts that were projected in this country many years ago.

In other words, much of the planning that did take place benefited those who did the planning.

For example, we cannot suggest that the movement to the suburbs, the development of luxurious living outside of the inner city, the leaving of the inner city for the poor and the Negroes—we can't say this didn't happen without planning. There was a considerable amount of planning that went into this kind of action.

We can't say that the city planner—many of you here today—did not develop schemes and plans for the development of cities and suburbs without taking into consideration the impact and the reactions of the white majority, for example. Consequently, planning occurred with conveniences and pleasures and luxuries of particular groups in mind, rather than thinking of the total complex of the cities and the urban areas involved.

We cannot say that city planners do not continue even today to appeal to majority pressures in locating schools, in locating hospitals, in locating public institutions and developing urban renewal programs, and developing means of access.

I would suggest that all of this has been done with carefully developed schemes and plans.

Certainly we cannot leave here without understanding that locating of new capital in forms of plants and offices and locating of new industries—have been to the disadvantage of those with the

fewest tools and means of accessibility to get to them for jobs and training.

I cannot suggest, in other words, or I cannot believe, that this has not been done with planning.

Developers of new housing developments have had clear objectives to discriminate against Negroes and other minorities. This has been done with planning, carefully and schematically laid out.

Use of public funds by nonrepresentative school boards to finance education for middle-class and upper-income groups at the expense of the impoverished—certainly this has been done with planning.

And finally, I would say that we cannot ignore the fact that in many of our poorest areas and the most depressed areas, and those that seem to move slowest in terms of growth—such as the feudal economies of the South and more particularly in eastern North Carolina and western North Carolina and eastern Kentucky and eastern Tennessee. These communities continue to be depressed primarily because of the vested interests of feudal lords who want to continue things as they are.

In other words, I simply argue here that we must recognize and admit, if we plan to do anything about these things in the future, that there has been a lot of planning in the past. And it went into this particular "happening." The only problem is that the interests and the motivations, perhaps have been misguided. What we have been talking about here is that we need to undo some of this planning and to embark upon new kinds of ventures.

It is to the extent that national policy, national urban policy, national rural policy, national community development policy, if you please, comes to grips with these kinds of things to undo so much of what has been done and to get a fresh start that we will be able to come to grips with the problems that we are talking about here today.

I have listened with a great deal of interest to some of the major threads that have run through this symposium. I have noted a few of these. Some of them are environment-oriented, so to speak. Others are people-oriented.

It seems when we talk about rebuilding we place all the emphasis upon rebuilding the environments, recognizing, of course, that there are certain determinants here in terms of economies and other kinds of forces. A great deal of the rebuilding of

our communities must be done with people, must be done through more job opportunities, more training opportunities, development of greater mobility on the part of people in the labor force, greater mobility on the part of people between geographic districts.

We have noted, for example, in the various papers, several things that I think need to be reemphasized.

Certainly in the first instance it has been pointed out that while our cities have many deficiencies, many of these deficiencies are offset by great strengths.

One of the speakers pointed to the comparative advantage of larger urban areas over other areas in terms of the infrastructure and consequently the continued attraction to the cities of people, pointing to their growth potential and their growth aspects, both in terms of attracting people and high-growth industries.

One of the important points that was made in terms of planning for the future was that while we recognize social costs can and may offset economies of scale beneficial to larger areas, for example, the social costs of poor education and low growth, can plague smaller communities.

Someone suggested—and I am not too sure I would agree with this particular point as we look into the future—that medium and small towns will survive for awhile, and mostly this would be the result of a trickle-down process. The argument here is that this trickle-down process takes place primarily in the form of a hand-me-down land-use and redistribution programs. On this basis there can not be much hope for the middle-sized and the small-sized communities.

I would suggest this is exactly where we need to place more emphasis in the future. I am impressed when I look at the data for the period between 1940 and 1960—I am impressed with the growth in the population in rural nonfarm areas. Too often when we talk about rural and urban, we only talk and think about rural farm areas and rural farm opportunities. The fact is that one of the places where there has been the highest rate of growth on the part of the Negro population in this country has been in the southern rural nonfarm areas. *And it is in these areas that we must find new ways to provide new opportunities in the form of jobs and training and the like so that these people can have certain options in terms of where they wish to reside.*

I would argue that a great deal of emphasis should be placed upon the development of smaller and medium-sized communities, providing opportunities and providing options for people where they are.

I find a major need for a national urban policy designed to bring order out of chaos in urban development. This, of course, deals with such things as political structures and need for reform, ridding ourselves of myths about local boundaries, building new towns and relating them to the national order, revitalizing the smaller towns and developing land use policy, migration policy, and resource policy.

I want to briefly comment on migration policy because I think if there is one thing we need to look at carefully in the future, in terms of how we are going to try to plan urban or rural or community development, we must concern ourselves with national migration problems.

Primarily, as the Commission on Rural Poverty pointed out, we need to develop some kind of an assistance program and some kind of supportive service program for the people who are “pushed” from certain areas and “pulled” into other areas.

As things stand today, migration is a chaotic kind of phenomenon. We need to develop a national migration policy that would take into account the distribution of information about jobs and housing, social services. We need to take the cue from the Traveler's Aid Society and other such organizations that have attempted to develop reception centers and reception areas when people migrate into urban centers and try to find their way.

I have always been impressed with the fact that the National Urban League was founded some 50-odd years ago and is the original urban-oriented organization in this country. It had as its major focus the development of reception programs for Negroes migrating from the South into the northern cities. It was a program designed to try to help counsel and work with people as they attempted to find their way and make adjustments in new labor markets, new housing markets, and in terms of their adjustment to the cities.

I think we need to go back and take a hard look at the original purposes of the Urban League, at their original mandate. And I believe we will find here a cue as to what we need to be doing in terms of our national migration policy.

On the other hand, I also feel we have to be cautious about this. I was one of the persons who served on the Commission on Rural Poverty. If you will read the report you will notice I have a very strong reservation written into that document. I have the feeling that when we talk about a national migration policy with public support to subsidize the mobility of people, we must keep in mind that in certain areas of our country nothing would please them more than to depopulate the areas, particularly of black people. This is so in some places in southern areas where Negroes are a large part of the population, where they really make up the majority of the population. I am concerned here that as we develop national migration policy we do not play into the hands of those bigots who would like to use this kind of an instrument to depopulate certain areas of Negro citizens.

The expansion of the voting rights bill and the fact that Negroes will become politically more potent in certain of these rural and nonrural farm areas makes me advise a bit of caution about national migration policy. What we are talking about here is some attempt to bring balance and order into the movement of people. Certainly in this particular process we have had it mentioned several times that nothing is more important than a network of information regarding jobs, housing, other amenities that go with the areas into which people attempt to migrate.

Also we had a call here for a national rural policy. I think Dr. Bishop put his hand on a very important point when he said we can no longer draw a hard line between urban and rural. These are basically definitions with which we are stuck from years ago. The fact of the matter is again that if we take the rural farm population, or the rural farm problems and separate them from rural nonfarm, we will find that the rural nonfarm situation is no different from the urban situation. There is just as much chaos there as there would be in some of the larger cities.

So I suspect that we ought to be a little bit more careful, that we ought to talk more in terms of rural nonfarm than rural farm if we are going to talk in terms of these dichotomies at all.

Finally, it seems to me that very little can be done in our cities to really bring order out of chaos unless we do what the Vice President referred to so eloquently, and that is to restructure the governments and the policymaking procedures in many of our major cities and metropolitan areas.

We have two basic experiences, at least to my knowledge, where we have come to grips with the question of metropolitan government, Nashville, Tennessee, and Dade County in Florida. There may be others I don't know about.

But the point is this: Until we get metropolitan planning, until we get comprehensive planning, I am not optimistic about what we will do in terms of our cities, in terms of revitalizing them. The Model Cities program, as I understand it, comes very close to this by requiring certain kinds of comprehensive planning in its approach. But it seems to me this is one of the very important things we must keep in mind when we talk about national community development policy.

With these few things, I will quit and leave the time for my friends, James Rouse and Philip Hauser. Thank you.

Secretary WIRTZ. Thank you very much, Vivian.

People are too much divided into separate groups identified as "the thinkers," "the talkers," and "the doers"—and too rarely are all three capacities combined in a single individual.

Jim Rouse, as a good many of you in this audience know, is one of the rare Platonic combinations, a private statesman-philosopher, a man who has thought a very great deal about our problems, who has taught with the advantage his ideas bring him, and who is, beyond that, an actor on this stage.

His service in this area extends over a long period. During the fifties, when some of us were in political hibernation, not so Jim Rouse, who was a member of the Advisory Committee on Housing, who was chairman of the subcommittee that recommended the urban renewal program, which was then in the Housing Act of 1954.

During 1952, he was working here with the District of Columbia to make a better city of Washington, planting a good many of the seeds that are only now bearing fruit.

In his capacity as president of the Rouse Company, he has engaged in a number of projects of very substantial dimension, of very real imagination, culminating in the new city of Columbia, now rising east of here, between Washington and Baltimore, a city which will one day house 110,000 people.

We are very grateful for your coming here today, Mr. Rouse, to speak to us about the combination of ideas and expression which is so important—and action, which is most important of all.

MR. ROUSE

Thank you, Mr. Secretary, for your very kind and generous introduction.

A group of us met in Baltimore one night last week to form what is called an urban coalition. This is a phrase you may have heard recently as a National Urban Coalition was formed, and now they are beginning to break out on the local scene.

This is an attempt on the part of business and labor, civil rights, political, and religious leaders, to consolidate into a single advocacy the forces that, in a city, would make that city more effective in dealing with its problems.

This was a small group, maybe 12 or 15 people, drawn from these five major sectors of our society in Baltimore—good people, earnest people, knowledgeable people. We sat around the table talking about the mechanism, the needs for bringing this urban coalition into being. Everyone there knew the problems that we face in Baltimore. We knew many of the solutions—maybe all the solutions. There was no mystery about the gaps and deficits and what needed to happen.

But the prevailing mood of the meeting, although one of urgency and yearning to move ahead, was really one of disbelief—disbelief that anything was really going to happen.

This is a prevailing mood in America today. I expect, if we were honest with ourselves, that it is a prevailing mood even of this meeting. I wonder, as you have listened to the identification once again of the problems of the urban environment and the bright hopes and solutions and possibilities, and as you see clearly the possibility—the certainty, really—that this kind of society doesn't have to be, that it is beneath the dignity and capacity and legitimate expectancy of America—I wonder if you wouldn't admit that you really don't expect to see anything significant happen about it.

This, to me, is the most devastating fact about America today, that people have come to look upon the problems of the urban environment, however they are identified, as battles to be fought rather than victories to be won.

We talk in terms “of the need for,” not “how to do it.” There is missing from the American mentality, attitude, and spirit the conviction that we will transform the American city, the conviction that we have the capacity, the resources, and determination to do it—and that we will—not in 100 years or 50 years or in 40 years, but in a decade.

There is absolutely no question that we have the capacity to do it—absolutely no question about it.

I jotted down four statements by the Vice President—I will read them back to you, not quite in the order he made them. They constitute a pretty complete speech in their own right. He said :

1. “I believe it is within our power to make our cities and their suburbs healthy, safe, and rewarding places in which to live.”
2. “It is a matter of will and determination.”
3. “We need to think in terms of maximums, not minimums.”
4. “Most people are inspired by dreams of a better day.”

There is a speech on the American city. And we don't have enough bright images in America with respect to our civilization to stimulate the inspiring dreams that would generate the demand and produce the action within our society. We really don't acknowledge, as a nation, that we can make our cities into what they ought to be. And yet, I think if I had the time or if any of you had the time, we could lay out in detail the proof that all the powers exist, all the processes exist, the resources exist, the knowledge exists, the actual experiences exist in piecemeal fashion across America to make our cities into whatever we really want them to be.

It doesn't require vast new programs, new knowledge, new technological understanding or concepts. It requires a frame of mind that we can make our cities into what we want them to be.

It is easier, cheaper, quicker to make the American city work well for all the people who live there than it is to keep on patching it up, shoring it up, pushing off the problem for another decade, putting out fires, dealing with symptoms, failing to grab hold of the real root, gut problems of urban civilization and tackling them in their deepest, fullest form, and to build environments in which people can grow and be educated and employed and live in decent housing in decent neighborhoods and be transported to where they want to go, have choices, have variety, have freedom.

It is easier to do that, that whole pot, than to build a new housing program or a quick job placement program or any of the other symptomatic programs with which we attack this problem.

It is also easier and quicker and more profitable to build new cities that will work than it is to continue to build scattered, fractured, senseless sprawl as we now do across America. Everyone knows it is absurd. No one could defend the way our cities grow in America today. We all know it makes no sense to bulldoze the forests; put streams in storm sewers; level the land and lay out monotonous rows of houses and do no comprehensive planning about the relationship between schools and churches and places to work and shop and go to school and do the things we do in our society. Any high school senior class could plan better for the growth of an urban center than we do in America. Is there anywhere a greater gap between our knowledge of what to do and how we do it than in the growth of the American city?

This brings me to an experience that I find I am, perhaps, too easily brought to today; that is, what we are doing in Columbia, our new city between Washington and Baltimore. We have had some important experiences. They are important as lessons that America needs to know. There is strong generating power behind the integrity of comprehensive planning, and behind a program that seeks to deal with the way people live and work and grow.

Five years ago, in 1962, we began work on Columbia. Born out of our experience as a mortgage banker and developer and out of our involvement in the problems of the city generally, we came to ask what anyone would ask: Isn't it senseless to level cities the way we do? If we could get hold of a large enough piece of land, couldn't we bring these pieces together in a more rational way? And might it not be more profitable to do it and wouldn't it make social sense as well as profit sense to do it?

I won't carry you through all the details, but we wound up acquiring 15,000 acres of land—to try it. We were able to arrange a very, very extraordinary and significant financing arrangement that made it possible for us to go forward. We produced our plan; obtained our zoning; commenced construction. There are about 1,000 people living there now; the bus system is operating; schools are being built; new industrial plants are employing people. Office workers are there. Lakes and recreation

areas are in being. And by 1980, Columbia will be a city of some 110,000 people.

That is a development period of 18 years—not a very ambitious program, really; 2 million people will be added to the Washington-Baltimore area over the next 20 years. Is it ambitious to think that out of a growth of 2 million people we might be able to marshal the ingredients, in terms of schools and churches and businesses and cultural activities, into a decently-planned community of 110,000 people? It would seem to be a fairly elementary mission to undertake.

When we started our planning, we took a step that has been very important. We called together a group of people who were not planners, architects, engineers, bankers, and developers, but 14 people including the head of psychiatry in the School of Public Health at Johns Hopkins; the city manager of Oakland, California; Herb Gans, who lived for 2 years in Levittown, N.J., as a sociologist; Don Michael, a social scientist, and others. They were people drawn from the behavioral sciences, who we believed would have had more real experience with the problems—the successes and the failures of people living with people, with what works badly in a city and what ought to work well; with what we might do better in building a new city.

We sat down with this group with the understanding that we would meet—and we did meet—every 2 weeks for 2 days and a night for 6 months, engaging in conversation about the maximums (not the minimums) that might be achieved. We wanted to look at the optimums as we could conceive them. What would be the best educational system we could conceive in a city of 110,000 people—the best health system—what is the best communication system—what are the causes of loneliness and delinquency—what are the causes of happiness?

We said to these people, "We don't ever want a report or agreement. We just want to talk in depth about these things and to be influenced by them in the development of a physical plan and an institutional development program for the community."

We said, "Just help us be more knowledgeable in undertaking this task."

It was an important experience and it exerted great influence on the plan.

The point is that by beginning at that point—and you can think out of two sides of your mind

if you choose—I do about this—you can think about this same process applied to the inner city, and the results that might be achieved. In this particular case the process related to the development of a new city, and it led to a plan which is the plan that we are developing, and which is, of course, in constant revision as we gain experience and further knowledge, see greater opportunities.

But we live with the richness of the knowledge we gained in that extensive dialogue.

At this point in Columbia we have had experiences that are, to me, important. The conventional wisdom in America would have said: You can't undertake that because you can't assemble the land. You can't find 15,000 acres of land and you can't go out in Howard County and buy 165 farms and parcels. We did assemble the land and did it in 9 months, and had no leverage of government condemnation or other special powers.

And conventional wisdom would say: There is no way to finance this kind of undertaking in America today. Notably in America today the most undercapitalized aspect of our economy is the city-building business. Not one single developer in America has the resources to go out and spend \$23 million buying land to build a city, much less go on from there.

So how do you do it? Conventional wisdom would have said you can't finance it. But we went to a great life insurance company, Connecticut General of Hartford, and said, "We can't do this with a bootstrap. We want you to put up the money for this. This will work. It is a sound hypothesis. You can't get hurt." They put up all the money, joined later by the Teachers Insurance and Annuity Association, and the Chase Manhattan Bank. These three great institutions put up the full amount to carry this project into development. This was done with no mirrors, no magic, but through the conventional financing system available in our society.

Then conventional wisdom said, "Anyone knows if you acquire land in a suburban county like Howard County where there is no zoning for high-rise apartments, no zoning for midrise apartments, no zoning for townhouses, where they have been torn apart by one zoning battle after another resisting urbanization—(the Republicans had just thrown out the Democrats for the first time in 40 years, with the only issue being zoning, and with

the Republicans promising to maintain a lower density county by maintaining half-acre zoning)—this was the climate in which we acquired the land and it was said, "You will never get it zoned."

I might say it was quite a surprise to the commissioners of Howard County when we appeared before them 1 year after they were elected, saying we had acquired 10 percent of the county and wanted to build a city. A year later we produced our plan and presented it to the people in the county and attended every meeting anybody would invite us to, whether it was a PTA or Rotary Club or Grange or whatever.

In July 1965, our zoning hearing finally was held, surrounded by great emotion and excitement. It was set up to begin at 1 o'clock and go to midnight. We were to appear first. We appeared and presented our case which everybody in the county was by then tired of hearing. Then they called on the opposition—and not one single person in Howard County opposed the zoning—not one.

"This is impossible. You can't do this." This is the roadblock mentality that says all of these things can't be done.

So then we went on. And we were in development.

In the process of this planning and development, we have been able to preserve every major stream valley, all the major forests, the hillsides. We have set aside 3,200 acres of permanent open space, provided for five lakes and extensively for recreation. This is not noble; it is frugal for us to be doing this. We are putting the development where it best ought to occur. We are saving money by not trying to bulldoze the forests and hillsides and leaving it as natural space as it ought to be.

By planning intelligently for people in a way that will produce communities in scale so that a mother with little kids at home will have some place where she can go, so that kids can have a maximum choice in the community to move about, walk, ride a bike to a stream to fish, to a library, to school, to whatever they might want to do—by planning this kind of a community we have all kinds of things working for each other.

For example, 40 percent of the housing is within a 2-minute walk of a bus stop. Every kid is able to walk to an elementary school in his neighborhood and to a high school and junior high school in the center of a village of 15,000 people.

We bring together in the heart of a village, the

schools, the churches, the stores, the libraries, the main recreation areas so teachers and kids and parents and merchants and doctors can come together in an unselfconscious, unregimented, unorganized way; able to express their yearnings and problems; shape their own solutions; build their own institutions. They are not pulled apart by fractured, disrelated sterile sprawl.

We kept saying to the churches, "Let's talk about how you make religion the most effective force in the growth of people. Let's not talk about denominations."

Well, can you believe that the 13 major Protestant denominations have formed a religious facilities corporation to run all the church facilities in Columbia so they can take the money that would have been spent on building and put it into running programs in the community, into really first class counseling instead of into buildings? And then can you believe that the Catholic Archdiocese has said "O.K., we will join your religious facilities corporation provided you make these 13 changes," and that all the Protestant denominations unanimously have agreed to accept all the changes and the organization has been reformed? Neither the Protestant churches nor the Catholic Church will own their own buildings or run parochial schools.

Furthermore, provision has been made for the Jews and Unitarians and other faiths to join this corporation and thereby share in that possibility for unity in the spiritual life of the community.

The Johns Hopkins University Medical Institutions, faced with the possibility of a new start in a new city where we were really trying to deal with the wholeness of life of people, approached us on setting up a voluntary comprehensive health care plan where each family would pay monthly to Johns Hopkins and receive group medical care, home nursing care, and hospitalization. They believe that the knowledge of preventive health that exists on the shelves of a great medical school, if it could be brought to the people by intelligent, rational, well-planned methods of education and preventive health care, can save enough money out of the crisis stages of medical care and hospitalization and chronic treatment to more than pay the cost of the preventive medicine program. This means that it could be cheaper to build a healthy society than to treat a sick one—not proven yet but it is their purpose to prove it.

Industry and department stores have been willing to commit themselves to come to this city before anything is there. Our first three industries opened within 30 days of the first few families moving in.

We have about 250 families there, now, nearly 1,000 people. We talk about the ghetto, but the fact in America today is that the rise of juvenile delinquency is far greater in the suburbs than in the ghetto. If you own regional shopping centers, you know something about that. We had a hundred kids sleeping on the roof of one of ours last summer. There is terrific shoplifting, terrific vandalism.

In Columbia the kids have formed their own youth center, set up their own coffeehouse. They are an operating fact. The first operating social organization in the community came from the teenagers.

Then this difficult—I will put "difficult" in quotes—business of open occupancy. We are building Columbia in an area which voted for Wallace in 1964 in the presidential primary. It is significant that all during the period of planning, when we didn't have our zoning, as we were making talks around the country we never ducked the fact that Columbia would be an open community—and nobody opposed it.

We opened Columbia and we are a truly open community. There are Negro families among our first tenants, our first lot buyers, our first house buyers. The word is very clear to all the home builders and apartment dealers that everything in Columbia is open—and there is not a flutter in the market place.

Well, in all of this enumeration, I am trying to make one point. It is the positive side of what I said at the beginning—that when we take hold of the total problem, when we offer a strong enough plan and a strong enough program to produce real solutions, then the generating power to support that program is enormous and all kinds of things that appear as great roadblocks to prevent doing this in education or that in housing or employment evaporate.

It is easier, quicker and more profitable today in America to build a good environment than to build a bad one. The main thing we need to do is to start doing it and do it with the conviction that we know it can be done.

Secretary WIRTZ. I will only say—and I think I speak for everybody here—that the community of tomorrow seems to me clearer right at this moment than it has in a very, very long time—almost as if some clouds had pulled aside and distance and time had telescoped. We are very grateful for that vision.

My next introduction may be a little longer than some of the others because I have known Phil Hauser longer. I was in Chicago when the first computer hit the second biggest city in America, and behind it came Phil Hauser, waving the banner of sociology but armed with all kinds of statistics. He took us by storm, because, whereas the rest of us were roaming around in our conversations, he had the facts.

My connection was with Northwestern and Phil's was with the University of Chicago, but I don't think that prejudiced me. Phil made it clear to many of us in Chicago that it was time to stop talking in generalities; that we do only those things we can measure. Now, that may be either good or bad, but we have to know our facts and particularly our statistics before we can act.

So today the president of the American Sociological Association is still identified to a considerable extent with the statistical emphasis, but statistics with a heart.

Frankly, Phil, I have come to be as much impressed with the dangers of statistics in the last few years as I became impressed with the importance of them under your early tutelage. Indeed, if I were to leave Washington today it would be with regret that I had not been able to do anything about the repeal of three laws. One of those is Section 14(b). I am sorry, also, it hasn't been possible to repeal the law of gravity as it applies to everything that is said in this city. Third, I am sorry it hasn't been possible to repeal the law of averages which has taken over as a matter of concern. The law of averages is that proposition which says that if a man is standing with one foot on a hot stove and the other in a refrigerator, he is, on the average, comfortable.

And yet there is that combination of hard, sharp thinking which is reflected in the figures, and that feeling for a fellow-being which has been a characteristic—not only of the developing science of sociology—but of Phil Hauser in particular.

Phil Hauser, of the University of Chicago:

DR. HAUSER

Mr. Secretary, other members of the Cabinet, fellow panelists, fellow participants in a chaotic rural and social order:

I should like, Mr. Secretary, to begin my remarks with some cheer, particularly after the gloomy materials which have been presented, and with the kind of weather which has greeted our symposium.

On a similar day, a schoolteacher was trying to begin her class with a note of cheer, and asked her children, in a show and tell period, to report on some recent episode which would give all the youngsters something cheerful to think about.

The first little girl got up and said that her daddy had taken her on a picnic, she had had an opportunity for her first ride on a pony, and every time she thought about it it was a very cheerful thought.

A little boy got up and said his daddy had taken him to the ball game and the home town team had won, and that was a very cheering thought.

Then another little first-grade girl got up and said, "Teacher, I'm pregnant."

The teacher was taken a little aback, but she tried to follow her manual, show no great discomfiture, and in dealing with the child finally said, "Janie, why is that a cheerful thought?"

She said, "Teacher, I was having breakfast with mommy this morning, and daddy came down to join us and mommy looked up and said, 'Dear, I am pregnant,' and daddy said, 'Well, isn't that a cheerful thought with which to begin the day'?"

I confess I'm sorry, Mr. Secretary, but that is about all the cheer I can bring.

In order to appraise the outlook and to anticipate the future, man must necessarily examine the past. I should like, therefore, to concentrate my observations on some key perspectives, in the light of which the problems which have been presented to us can perhaps be better comprehended, and which point to the next steps in considering the future.

To be provocative at the outset, I should like to point out the problems of America, urban and rural, are not problems that can be resolved by the types of planning, including comprehensive planning set forth by Lady Jackson yesterday as now carried out in the United Kingdom, or on the continent. I should like to observe that the magnificent vision and achievement of the new town of Columbia does not and cannot constitute a so-

lution to America's urban problems. To be sure, they are steps towards a solution. But I think the fundamental solution is implicit in a few of the perspectives which I should like very quickly to draw.

First—and I will start with a global consideration—man has been on this earth for perhaps 2 to 2½ million years. In the course of his time on this planet, there have been four developments converging during the three centuries of the modern era which have done more to change man's attitudes, values, and behaviorisms, than anything else. The first of these is the population explosion; the second is the population implosion; the third is population diversification; and the fourth is the accelerating tempo of technological and social change.

The population explosion has become well known, at least in recent years. May I say, Mr. Secretary, that, in this respect, it has been the reverse of the weather. Mark Twain observed that everybody talks about the weather but that nobody does anything about it. Almost everybody was doing something about the population explosion, but nobody was talking about it until very recently.

The population explosion, in quick summary, has produced a world population of 3.3 billion today. With present fertility rates it will produce a population of 7.5 billion by the year 2000; and it takes a lot of wishful thinking to bring that projection down to as low a figure as 7 billion, let alone the 6 billion which my good friend Paul Ylvisaker mentioned yesterday.

The population implosion is less thoroughly understood. By this I refer to the increasing concentration of the world's peoples on ever-smaller proportions of the world's surface. This phenomenon is better known as urbanization and metropolitization.

A quick perceptive there: Man, though on the earth for perhaps 2½ million years, did not achieve permanent settlement until as recently as the Neolithic period, some 10,000 years ago. There were no cities of the size of 100,000 or more until as recently as Greco-Roman civilization. Man didn't achieve enough in the way of technological and social organizational development to permit the proliferation of cities of a million or more until 1800.

By "population diversification" I refer also to a rather recent phenomenon. I refer to the fact that peoples of diverse backgrounds, diverse by culture, by religion, by values, by ethnicity, by race, have

come only recently to share not only the same geographic area, but the same life space—to participate in social, economic, and political activities.

And finally, the accelerating tempo of technological and social change as such requires no further elaboration to this audience.

I should like to observe, as another fundamental perspective, that the United States of America is history's most dramatic example of all four of these phenomena. In our very short national history we have demonstrated both the successes and problems which have attended these developments more than any other place on the face of this earth.

I need only quickly in passing remind you that when our first census was taken we were a nation of less than 4 million people. When our 18th decennial census was taken, we were a nation of over 180 million. We are today a nation well in excess of 200 million, and we will number some 300 million before the end of the century, some 32 years hence.

The population implosion is also dramatically revealed in this nation. I cannot stress too much—and this is the key perspective that points to the nature of the obstacles to dealing with our urban and rural problems, even today—that when our first census was taken in 1790, 95 percent of the American people lived in rural areas, on farms or places having fewer than 2,500 people—95 percent. It was in this agrarian setting that the Constitution of the United States was written. It was in a similar agrarian setting that the constitutions of most of our States were written. And, of course, the Federal Constitution served as a prototype in large measure for the State constitutions.

In the short course of our national history, by 1960, we had become a nation which was 70 percent urban, 63 percent metropolitan; and these percentages have continued to climb during the course of this decade.

I think a fundamental perspective prerequisite to understanding why we have urban problems and rural problems, and why such a symposium has been called by six members of the Cabinet, is to appreciate this fact: We did not become an urban nation in the sense that more than half of our total population lived in the cities, until as recently as 1920. And it will not be until our next census is taken in 1970 that this nation will have concluded her first half-century as an urban nation.

We are certainly one of the world's outstanding examples of population diversification, and there is no need to elaborate the fact that this is a polyglot nation made up of diverse peoples, mostly descendants of immigrants from Europe. Over 44 million immigrants were admitted since our Federal Government started to count them in 1820. But we also contain large numbers of the Negro race, and have virtually every form of mankind, by ethnic and racial background, as part of our population.

Finally, in tempo of technological and social change, we stand out as having perhaps too much of both. I would argue we have experienced so much change that we are still trying to catch our breaths. In fact, I suggest this perspective because most of our contemporary problems, those we call urban problems, physical, human, social, economic, governmental, are, in my judgment, much better comprehended when viewed as frictions in the transition still under way in America as well as the rest of the world—the transition from an agrarian to a metropolitan order.

I would like to proceed to another perspective.

In the process of rapid urbanization it is small wonder that in this nation still in her first half-century as an urban country, that we have many evidences of what my former teacher William F. Ogburn termed "cultural lag." I was delighted to hear the Vice President use this term. Among the outstanding examples of cultural lag is our system of government. Our outmoded system of government is exacerbating virtually every one of the problems that afflicts our contemporary American scene.

Let me start with some of the ideological tenets we have inherited. One is "that government is best which governs least." Why not, in a society in which 95 percent of the people were rural? What was there for a government to do? Another tenet is that "each person" by pursuing his own interest is led by an invisible hand, so that "*** he frequently promotes that of the society." Some other references have been made to Adam Smith at this conference, and appropriately so. This tenet made good sense in agrarian America. Why not, when 95 percent of our people were rural? If you took care of the members of your own family, you were doing that which was best not only for them, but for America.

But to cling to such tenets as slogans in 20th

century America, 70 percent metropolitan—a highly complex, interdependent, and vulnerable society—is to have 20th century reality subjected to the hazards of 19th century thought.

There are many other evidences of cultural lag. State governments have become the fifth wheel of governance in these United States. Why? This could be elaborated at great length, but I have but a few minutes.

In these days when it is customary to be worried about civil disobedience, I would contend that there has never been an example of civil disobedience so injurious to the Nation as the civil disobedience of the State legislatures and the Congress of the United States, who have refused to obey the mandates of the Federal and State constitutions to reapportion. As recently as 1960 there were 39 States in the Union with a majority of urban population and not a single State in the Union in which the urban population controlled the State legislature.

It is the callous disregard of urban problems by State legislatures and the U.S. House of Representatives dominated by rural minorities that has subverted the American system of governance and has made State governments the fifth wheel of government.

Why is it that the Federal Government is in public housing or in urban renewal or in highways and expressways, or in civil rights, or in mass transportation, or in education? It is because city governments—mayors with hats in hand—had to come to the Federal Government to seek resolution of urban problems. Cities have become the locus of the majority of America's peoples. But urban populations could not get the help they needed from State governments who couldn't care less about city problems.

I should like to present still another kind of perspective on local government.

The founding fathers did not and could not have been expected to anticipate what we call metropolitan areas, let alone emergent megalopolis. The system of local government that we inherited from the 18th century is, however, still with us. Our cities that are faced with the acute and chronic problems which we have been considering are paralyzed because, as creatures of State legislatures which have not yet entered the 20th century, they have neither the authority nor the financial resources with which to cope with their own prob-

lems, even when they want to do so. And let's not kid ourselves about that one.

The fragmentation of government in our metropolitan areas, represented in the extreme by New York and Chicago, each with about a thousand separate governmental units with authority to tax and to spend, makes it impossible to deal with many of our contemporary problems. It doesn't matter how many new town Columbias we may put into metropolitan United States—we still would not be dealing with the heart of our urban problems.

When we talk about "the urban problem" today, I dare say most of our citizenry are thinking of the problem of the Negro American—the problem of the Negro rebellion. I have a suspicion that this symposium was in part motivated and organized out of an effort to deal with that all-consuming domestic problem.

Let's get some perspective on the Negro "riots" or "rebellion." We have various commissions, national and local, investigating into them now. They will, no doubt, issue reports that will be useful. But I don't think it takes any deep research to understand the why of the Negro rebellion.

All you have to know is, first, that the Negro American has been in this country for 3½ centuries. He spent one and a half centuries in slavery; he spent a half century in the rural slum South with the unfulfilled promises of the Emancipation Proclamation. He spent another half-century in the slums and ghettos of metropolitan United States, both North and South. Second, as the Vice President this morning indicated, the revolution of rising expectations which swept the world since World War II has not bypassed America. The Negro rebellion may be viewed as our local manifestation of the revolution rising expectations. And third, and of more immediate consideration, it is an ironic thing that the recent efforts to deal with the problem of Negro Americans are a factor in the rebellions we have witnessed. The magnificent leadership of this administration with respect to civil rights and the role of the Negro in American society has, without question, heightened expectations. But the magnificent leadership at the national level has not been followed through on the State and local level, and stark reality has remained the same. The Negro American is still confined to segregated, rat-infested slums. He still has unemployment rates, which, if experienced by the white population, would give us a depression

worse than that experienced in the 30's. His children are still receiving inferior education which is not preparing them either to assume the obligations and responsibilities or the rights of American citizenship. And so on down the line.

The gap between expectation and reality has increased, and so has alienation and frustration and bitterness.

I don't think we really need the commissions or intensive research projects to understand the why of the Negro rebellion.

Well, these are just a few key perspectives. I have many more in mind, but time does not permit them all.

This symposium has developed a listing of problems, urban and rural, which are real. But there is confusion in the definition of these problems, and therefore confusion in the suggested solutions.

High density, for example, is not necessarily an evil. There are few better places to live than in among the most dense parts of the United States, if those dense parts are located in the luxury apartments of Manhattan or the luxury apartments of the Near North Side in Chicago. And the solution for the evils of density is not to be found in open country and open space, because open country and open space can also be identified with miserable living conditions.

To deal with the problem of poverty, one must recognize that there are many kinds of poverty. For example, the programs that would resolve the poverty of the whites in this country would not necessarily be the solutions for the resolution of the problems of Negroes who are living in poverty.

Let me elaborate a bit. We have a social security system devised during the 1930's, when I first worked for the Government in Washington. My first assignment was with Ed Witte, who was chairman of the President's Committee on Economic Security—whose work led to the Social Security Act.

We have a social security system based on the assumption that a person in his economic career in our society would earn certain rights and pensions for old age and disability; or, when, in pursuing his career, he fell by the wayside, he would get certain types of welfare assistance. But a disproportionate number of the clients of our social security and welfare system today are Americans not who have earned rights, not who have fallen by the wayside, but Americans who have never had the opportunity to participate in our

society. They have never had the opportunity to get careers underway.

In England, the social security system is based on the philosophy and plan of Sir William Beveridge. It is based on the explicit assumption of a full-employment economy, and an implicit assumption of an equal-opportunity society. A social security and welfare system such as exists in the United Kingdom and in the United States cannot and does not resolve the major sore spot in our urban society. That is, the social security and welfare system does not cope with the problem of that part of our population which has never had the opportunity to participate fully in the American economy or in the American society. This problem cannot be solved by programs of social security and welfare. It requires programs that would create equal opportunity.

What is the outlook? What are the next steps?

Without having time to elaborate the extrapolation, present trends will produce—let's be realistic about this and not kid ourselves—central cities increasingly Negro, surrounded by lily-white suburbias. Present trends will produce increased mutual distrust, between the Negro core and the surrounding white suburbia. Present trends might well generate an indefinite period of intensified guerrilla warfare. Our long hot summers will not continue to be long hot summers. The evidence is in already that they are becoming long, hot years, and with present trends they will become more so.

Let me say further a word about that. America is at a crossroads with respect to this part of the urban problem, and at a crossroads which any forms of comprehensive urban planning, as such, are not going to touch. The American people are faced with two alternatives. One is the alternative of a tremendous increase in investment in human resources that would equip that part of our population not now so equipped fully to participate in our economy and society. And may I say this population is as large as that of Turkey, about 30 million people, white and black. Despite our shibboleths about democracy and equal opportunity, these people have never enjoyed equal opportunity in American society.

May I emphasize the fact that this includes not only the blacks. The Appalachian whites or hillbillies are, in some respects, worse off than the Negro, because those people haven't discovered they have a problem yet. They will, however, discover it someday.

We have the choice of greatly increased investment in human resources that will equip these people with the basic skills, the salable skills and the citizenship skills to assume both the obligations and responsibilities as well as the rights of American citizenship; or else we may follow another alternative, an alternative of repression and suppression of the impoverished and rebellious minorities.

If we are not prepared to make the investment in human resources that is required, we will be forced to increase the investment in police, the National Guard, and the Army; and, also, it can happen here and has happened here—in concentration camps, and possibly even genocide.

When I referred in my salutation to "a chaotic rural and urban order," I had in mind we are a society generating domestic guerrilla warfare with our minds so fixed on that tax dollar that we haven't even had sense enough to invoke adequate security measures. Are we willing to take the consequences of continued failure to choose our course? Will it take six more cities to be burned down? Will it take 20 cities? Will it take 30 cities? We will have to make our decision.

I am convinced, in terms of this dominating urban problem, that anything short of adequate investment in human resources or enough investment in measures of suppression—if we the American people are prepared to make ourselves over in the image of the Union of South Africa—anything else will result in continuous and disastrous guerrilla warfare. And all the beautiful comprehensive urban plans we can devise will not begin to touch that problem. Let's not kid ourselves about that.

That is the outlook if present trends prevail. And I don't see anyone here who can seriously challenge that outlook or provide a factual basis for saying this outlook is wrong. This is an extrapolation, be it a qualitative if not a quantitative one, from where we are.

To change the trend where do we go from here?

I may suggest—time is short—a few steps, some of which have been discussed at this conference.

Much has been said about a national policy. Now, may I respectfully suggest that the first thing we need is a national policy to have a national policy. We haven't even got that yet. We are living in a world in which the use of some of the concepts discussed here is completely incom-

prehensible to a large part of our population, and to perhaps an even larger part of our Congress.

We have been talking about dream communities of tomorrow—but we have to face realities. Let's not overlook the problem of dealing with the Congress as we savor the great plans of the physical planners.

Let me get to another thing, the policy to have a national policy, which we have not yet achieved. If we adopt the policy to have a national policy, which I don't think is possible with this 90th Congress—then it implies setting of national goals and it implies planning.

I was in Washington during the 30's when I remember if you used the word "planning" in any context you were suspect. This was a nasty word, a dangerous thought. The Congress then, as some of us older people will remember, abolished the National Planning Committee. I have lived long enough to see planning become a respectable word as long as it is modified by the word "city," as in "city planning." But in the U.S. it still is suspect to talk about metropolitan area planning, let alone regional planning or national planning. Let's not kid ourselves about this one either.

We can dream dreams, but we have yet to accept the notion of planning. We have yet to recognize the fact—and it is a fact despite our stubborn clinging to 19th century slogans—that we are a welfare society. This is not a pejorative term. There is no disgrace about being concerned with human problems. We are a welfare society, albeit still en route, an incomplete, unfinished welfare society. The problems that have been set forth and discussed in this conference, are the product of a 20th century society afflicted with 19th century forms of thought, and 20th century forms of bigotry.

We need to set national goals. May I respectfully suggest that one major national goal—and I think this conference could well agree on this—would be the goal of making available to every American, white or black—in the long run, this goes for every person on the face of this globe—not only freedom and opportunity but, also security that would enable him to achieve the full human potential. And if we adopted such a goal, we would, among other things, be setting a priority on rights which would place human rights above all other rights, including that sacred cow called property rights.

As an Illinoisan—I was disturbed when Sena-

tor Dirksen pointed out he had to vote against open housing because this would interfere with property rights. This is something of a return to the 19th century—giving cows and pigs and trees the right to vote, as well as human beings; indulging in other forms of fanciful nonsense which make good humor, but awfully bad policy for the United States in the last third of the 20th century.

Let me go on about the next step.

Having set such a national goal, we must then have mechanisms for planning.

What is planning, this nasty word?

I am arguing that the time has come to extend the concept of planning, in a respectable aura from local, to metropolitan, regional, and even national planning. This should be regarded as a respectable concept in 20th century American civilization. And planning means nothing more than rational decisionmaking to achieve the desired goals.

There are other steps necessary. One is the rationalization of the American system of government. It is long overdue. Vice President Humphrey, with great eloquence, pointed to the need for redoing State constitutions and city governments. There are, also, a lot of things to be done at the national governmental level. We need to restore majority rule government to these United States—or more accurately not restore it, but achieve it. We have never had it in a fundamental sense. We have a setup which permits tyranny by the minority. What else is a filibuster? What else is a seniority system in the Congress which gives the most underdeveloped portion of this Nation disproportionate power to block almost any form of legislation aimed at dealing with 20th century problems in a 20th century manner? We have not had representative government in the State governments at any time during this century. Nor do we have representative government on the Federal level and we won't have it until the Congress is both reapportioned and equipped to act in terms of the will of the majority of the American people. The Congress must be freed from the tyranny of that small portion of the American people that has stubbornly clung to power by devices that enable them to throttle the whole democratic system.

What next?

Well, we need a number of comprehensive, specific plans. Sure, we need comprehensive regional and metropolitan physical and economic planning. There isn't time to elaborate this, but what Wilbur Thompson referred to the other day

was the need for intrametropolitan area space planning. To hold that because there are some evils associated with high density, we must go out into the great green yonder—to open country—is again to confuse the issue. In my city of Chicago, some 3½ million of us live in 220 square miles. But there are some 4,800 square miles in what the census calls the “consolidated metropolitan area” dominated by Chicago.

We don't have to live the way we do live if we planned land use properly, if we did the same kind of thing that business does—plan the use of space. But planning in our chaotic society is okay in a corporate enterprise; it is dangerous when it is done by government. This is part of the 19th century ideology with which we are still afflicted. Sure, within the framework indicated we need comprehensive planning.

Next, we need comprehensive plans for rural America as well as for urban America. We have not had adequate rural planning for the same cultural lag reasons.

This doesn't necessarily mean that we must push people out of metropolitan areas or megalopolis. Such areas are not evil—even if they have often been discussed as if this were an evil. It is not high population density that makes urban living evil. It is the density of our own minds.

We can decentralize population and industry within the metropolitan area, within an urban region. We can build new towns there, too. We must certainly put more capital into the rural areas where it makes sense to do so. But let's not be so romantic and so nostalgic about the delights of Ferdinand the Bull sitting under the cork tree, smelling the beautiful flowers, as to forget that cost-benefit analyses are necessary both in rural and urban areas. We must not decentralize in situations in which the economic costs would undermine our levels of productivity and our levels of living.

Let's not forget, if we try to resettle rural farm areas, that agriculture in the United States, which is our most efficient industry, is also our most capital-intensive industry. It takes more capital to put a worker on a productive farm than to put a worker in a factory—unless we are talking about miserable subsistence farming. Let me point out that we may continue to expect more migration from the rural United States to metropolitan areas—and let's not kid ourselves about that one. Because, with the efficiency of American agricul-

ture, partly due to the remarkable contributions of our Department of Agriculture over the years, we could lose another 20 percent of our rural farm population and probably not decrease our agricultural product by as much as 5 percent.

I would say, as a final point, that in planning we must set priorities in which human rights, without apology to anybody, are given first priority. We must set priorities of a type which recognize that the most important investment we can make in these United States—and this is true for the world as a whole—is an investment in the most precious resource we have, human beings. The economists have been increasingly making it clear that the greatest return we can get on any investment is the return we get on investment in human beings.

And when I say “investment in human beings,” I want to close with this admonition, that among other things this means adequate education. I don't have time to elaborate the need for improved education. As far as I am concerned, the educational establishment gives every evidence of rigor mortis. The educational establishment has gone to sleep for at least a human generation. It has not faced up to the problems of our inner cities, and it is just beginning to be prodded and pushed into it.

Part of the problem of education is traceable to the State legislatures to which I have referred, which have not provided adequate educational resources. If we place first priority on human rights, then we have a basis for the planning of resource allocation for dealing with urban problems including education.

We can eliminate poverty of whites largely with a very simple ingredient—money. And incidentally, money is a better cure for poverty than social workers or psychiatrists. We cannot eliminate the problem of Negro poverty with only money, because the Negro American has always been afflicted not only with poverty but, also, with the doctrine of racism and bigotry which has excluded him from full participation in our society.

To deal with the problem of urban America, centered around the Negro American, money is not enough. He must also have acceptance. And acceptance, among other things, means national open housing; it means integrated schools; it means access to every sector of American life. And let's not kid ourselves about that. The problems of Negro America will never be resolved until we have acceptance along with adequate income flow.

There are a number of very specific steps that should also be discussed. But I have run on much too long already, and specifics can perhaps come out to some extent at the luncheon.

I will close, Mr. Secretary, with an observation that may be the only thing I have said with which some of my colleagues here would agree. I refer to the chap who, after finishing a talk, had a little old lady come up and say to him, "That was the best talk I have ever heard. It was entirely superfluous."

To this he replied, "Well, in that case, Madam, I will see to it that it is published posthumously."

To that, the little old lady said, "Oh, please do, sir, and make it quick."

Secretary WIRTZ. I want to tell a fable in conclusion, and I get my license first from my subscribing to the complete pedagogy of anger bordering no antagonism, in addition to subscribing to a great deal of what you have said.

I want to make an exception on behalf of the Congress for the members of the House Labor Committee before which I must appear. I might exempt, too, the Appropriations Subcommittee. In fairness, let me point out that I think the quality of leadership in the last two or three Congresses has been responsible for the enactment of the Civil Rights Act of 1965 and 1966.

And I wanted to tell you, Phil—in response to what I am sure everybody here will agree is the helpful tone of your remarks—the fable of the lion and the elephant, though I think not Aesop or Thurber or Orwell would claim responsibility for it.

It is the story of the lion residing in the middle of the jungle and the various animals coming up to him, in a clearing. The lion always put the same question to them.

First a little monkey came along and stopped in front of the lion. The lion bellowed out, "Who is the king of the jungle?" The monkey said, "Oh, Lion, oh King of Beasts, you are."

And some rabbits came scampering by, and again the lion put his question, "Who is the king of the jungle?" and they said, "Oh, you are, oh lord of creation."

Then came the jackals and hyenas and gazelles, one after another, and there was always the same

question and always the conditioned response, "You are, oh King of Beasts."

Finally an elephant approached. (I might wish for political reasons it had been a donkey, but the fable is not so written.) And again the lion thundered at him, "Who is king of the jungle?"

And instead of answering, the elephant approached, picked up the lion with his trunk, threw him three times around his head and tossed him 150 feet into the jungle.

The lion picked himself up, came back to the clearing, eyed the elephant from a distance and said, "You didn't need to get so damn mad about it just because you didn't know the answer."

We appreciate the extent to which you have aroused our interest in this particular way. We are perhaps divided about it and perhaps it is because of the fact that time ran out on you before you came to all those answers. But we will take those up at the next session.

May I say to this panel on behalf of this audience, I have participated in a good many panel discussions of one kind or another, but rarely have I participated in one in which there was brought to bear on the subject the dignity of thought, the eloquence of thought, and eloquence of expression which has come from these three men, each of them speaking from a very different vantage point, three vantage points we have to bring together. When that element in the community which is most directly affected by the things that we are talking about participates fully, when the business community starts thinking in terms of people, at least as well as of dollars if not instead of them, and if the academic establishment can find some way of joining together, with the Government being only a catalyst, I suspect we won't necessarily have all the answers, but we will have the procedure through which those answers may be reached.

I am grateful for the three expressions, every one of which took its starting point from people instead of anything else, and from individuals rather than the system.

I express to this panel on behalf of this audience our very real gratitude for what you have brought to us this morning.

NOON SESSION

December 12, 1967

Luncheon Session

Secretary FREEMAN. We will proceed this noon on a very informal note. We would like to hear any comments or recommendations that you have, and we'll try to answer any questions.

Someone asked me earlier today, "Where do we go from here, and what followup will there be?" Someone might want to address himself to that.

So on that informal basis we will proceed, happy in the prospect that we will have a chance to hear from you in a genuine give-and-take. All of you have particular expertise and experience and everyone can profit from it.

So with that by way of just background, let's proceed.

QUESTION: (Joe Fichter, president of the Ohio Farmers Union) Mr. Secretary and Cabinet: I am grateful for an opportunity to express a word or two about the symposium.

It is the first time that many of us have ever had a captive audience of Cabinet members. I think the fact that these Cabinet members are here is in itself a very significant thing.

Speaking as a farm organization representative, it seems to me that there is need for faith in the possibilities of a national policy.

People in agriculture, I think, feel that public officials are not interested in their future. They just feel there is a nonconcern about it. That in itself is bad. I think if we look at it from the point of the public official, with this great majority of people now in urban communities, the public official who must try to reflect the thinking of the public, then this is the problem.

The problem that we have now, the problem that everyone has, is to get a hearing on his ideas.

I liked what the Vice President said this morning, that we have had a tendency to plan for other people without the other people being present. And I think people throughout the Nation would like to get the ear of somebody who makes the decisions.

I am not one of those people, one of those hillbillies from Appalachia, who don't know they have a problem, as Dr. Hauser said.

We know we have a problem. But our problem is to get somebody to listen to it.

Last Saturday evening a farmer asked me at a meeting, "Don't you think it's about time for farmers to have a march on Washington? Let's have 50,000 farmers go down there and let them know we are concerned."

That expresses, in my judgment, a feeling that something needs to be done.

I have wished there could be a greater attention to agriculture and rural life here—because I think the subject has been bypassed so much. When I came here I thought, "I think this is an opportunity to call the attention of the Nation to this situation in agriculture, which is bad in itself and bad for the city." But I am kind of frustrated that most of the discussion—and this isn't a criticism of the speakers but just an observation—that the speakers, instead of discussing this whole thing in the broad spectrum of the national situation, have limited themselves pretty much to the problems of the city.

I wish all public officials, executive and the Congress, could be acquainted with what is going on out here on the farm. One of the speakers who represented industry yesterday put his finger on it when somebody asked him if there could be a tax incentive for training people. He implied that we could pass that charge on to consumers. But people in agriculture cannot pass anything on, and that causes a big problem.

On this great migration from farm to city, I keep asking why—what is causing it? There wasn't this migration during the depression. I read the other day that this migration wasn't going on during World War II when income was higher on the farm.

So what is causing it? I think that question ought to be pursued.

And I ask the question whether it is a good thing for a nation for total urbanization to occur? I doubt whether it is, myself. But I pose that question.

I think a big job here might be the start of a dialog on what values the Nation ought to have for people wherever they happen to live.

I raise this final thought: Those of us who are growing older will not stand by and allow ourselves to be discriminated against. We are going to organize and we are going to do something about it. And the same thing can be said of people of other categories.

But out on the farm it is a different thing. The farm parents are telling their children not to farm. "I wouldn't advise you to go through what we have gone through." That is the thing that is going on.

There is a deterioration, a frustration, that finally will develop into a crisis such as we had in

the cities this summer—and other kinds of crises that don't lend themselves to dramatic presentation.

Mr. Secretary, I congratulate you on your initiative in bringing us together for this meeting. And I want to say if I may that your recent talk about the place of the small farmer—of all kinds of farmers—in our life is something that is tremendously important. I feel we ought to give you every kind of encouragement in pursuing that kind of thing. It has been a great symposium and we thank you for an opportunity to say a word or two about what seems an area that has been much overlooked.

Secretary FREEMAN. Let me underline what Mr. Fichter said with these two figures the Vice President mentioned today:

The prices farmers get today are less than they were 20 years ago. The costs of the things the farmer has to buy are a third higher than they were 20 years ago.

Now ask yourself if you could run your household, your office, your business, your industry with that kind of relationship between price and cost? But that is what is happening.

And the reason our family farm system has not been destroyed is simply because of the extraordinary increase in productivity in agriculture which has been really the greatest productive miracle in the history of mankind.

But this is a very painful period.

The rural poverty report that many of you have will bear some reading.

QUESTION: Mr. Secretary and distinguished members of the Cabinet, my name is Hans Klunder. I live in Vermont and have my business in New Hampshire.

I came to this country from Germany and am privileged now to be a citizen. I am a city slicker. My home city was completely bombed out by the British and cleaned out by the French. We therefore had an opportunity to start fresh, to start anew. Things were bad.

The first question is: How bad do things have to get before people are willing to make them better? That is number one.

And that applies to this conference here, that I find extremely commendable.

At one time in Europe the cry was "Peasants, unite." In this country initially it was "People,

unite," then "Farmers, unite," and, "Workers, unite," and now we see "Departments, unite." I think this is commendable.

If we can now translate this further to say, "Communities, unite for better efficiency, for a better future," I think we will be helping the people that need help most.

Thank you.

QUESTION: My name is John Shearer. I am director of the Manpower Research and Training Center at Oklahoma State University, an organization that exists under the good auspices of the Manpower Administration of the Department of Labor.

At Oklahoma State, in conjunction with Senator Fred Harris of Oklahoma, we have formulated a national manpower conference on "Rural-Urban Migration—Implications for Rural Poverty and for Urban Disorders," to address itself to this question: What new policies and actions by the Federal Government with respect to rural-urban migration are most likely to promote the national welfare?

I have distributed a two-page statement of what we propose to do to a number of people here. We are hopeful of comments and suggestions from them to help us finalize our planning. The conference is scheduled for the very near future.

Thank you.

QUESTION: Mr. Secretary, I am Ed Kiley with the National Association of Rural Electric Cooperatives, and I want to address myself to the question: Where do we go from here?

A continuing dialog is absolutely essential. As a matter of fact, many of us here in this room met with you and representatives of Housing and Urban Development to form a rural or town and country coalition.

This has now become almost a reality. It is a way for organizations and associations interested in rural communities to get together and continue this dialog.

I would like to invite all those here today who are interested in helping both town and country to participate.

One more point; a pilot project in Arkansas was mentioned in relation to this meeting. That pilot project brings together all Federal programs. The interesting thing about it is that these Federal programs are supposed to be available all over the country. Yet it took a pilot project to make the

impact that should be made all over the country with the programs we have now.

I think we need a dialog with industry. I think the *Life Magazine* article I read last night, about Congaree Steel in South Carolina, is an inspiring article. It was through the efforts of the Rural Electric Cooperative in that area and REA that this became a reality. It also became a reality because of EDA and because of SBA.

I might point up some of the needs we have. We need leadership training. The leadership in rural areas is not there. It has left. I think we need to develop new leadership, and that is a problem Secretary Gardner's programs can help with.

Training programs are absolutely essential. Technical assistance in making the applications for the programs is terribly important, and attempts are being made at this with the Technical Action Panel. But this needs to be tremendously strengthened. And I think that regional planning is absolutely essential if we are going to achieve anything.

Well, I point out just a few of the things that could be in a national commitment. And I think if all the associations here today were interested enough to continue this dialog, I think together we could really get something done.

Secretary FREEMAN. Thank you. Ed is with the National Rural Electrical Association. He works at the specific task of locating industry and expanding leadership and activity in small towns, primarily in the Midwest, and has had a lot of practical experience.

QUESTION: I am Clarita Ward Love of Newburn, N.C., a small community in a rural district. Newburn was settled in 1710 and has been settled ever since.

And I am among the poverty-stricken people. I heard somebody say that the white poor were not organized. But I would like to say that was the understatement of the year because the white poor, which is known as the KKK, is well organized and it is us who are not organized, the black man.

I would like to say, also, I have heard a lot of comments on education. Education is needed. We need education in order to obtain jobs. But how can you get education when you are handicapped because of the pigmentation of your skin? This is from a poverty-stricken person who has lived there for 37 years and I know what I am talking about.

Next thing, our schools are inadequate. We don't have the facilities. I know this, too, because I returned back to high school at the age of 33 and graduated last year.

We have many welfare recipients. Our people don't want to be on welfare, but they have no other alternative. The reason they are on welfare is: Who wouldn't be on welfare if I had three children and get \$80 a month and go out to work and make \$20. Naturally I would stay on welfare because it gives me a better chance of giving my children beans and peas and more molasses.

Employment in the eastern part of North Carolina—and I am speaking for the eastern part of North Carolina now, not just Crayton County—the Employment Commission—there is no fairness there, either. You can go down, no matter what qualifications you have—we just don't have adequate education. But there are so many things we can do with our hands if we are only given an opportunity to try. But you are not given an opportunity because you don't have that B.S. degree, Ph. D degree or your master's degree, or really because the pigmentation of your skin is real dark.

The next thing is public housing.

I have so many complaints, really, and then I have some solutions, too.

We have a public housing area in Newburn. On one side it says, "Black," and on the other side it says, "White." I am sure you are familiar with that because it is on property all over the country.

Now, where we live the houses aren't so good. The walls are falling down. We write, we call, but nobody seems to care. And this is also one of the answers to your riots and everything else, the unrest among the black people. And I can only speak for the black men because I am black and I know what it takes to get me out of the cycle of poverty. I know what I need to upgrade myself.

I thank you for being sympathizers but you don't know because you have never been black. I do.

The next thing is farming.

Now, I don't live so far from the farm area. In fact, in the summer I work in green tobacco. I go to work in the morning—and not only me; this is all of us—we go in to work at 5 o'clock. We have to get up, no matter what kind of children you have, small or large. And we return sometimes 5:30 or 6 in the afternoon. We have done good if we have made \$5. You are paying \$31 a month for rent in the public housing. You make \$5 a day, 5 days a week. You have a family of four to feed.

Your husband is either dead or deserted you because he don't want to stay here anymore. Food, clothing, and shelter. I am not talking about medical bills or the dentist treatments you need. So what? He leaves. He deserts you and you resort to welfare, \$80 a month for four children.

This is what farmers pay. They can't do any more because most of them are sharecroppers. Most of the time they are cheated. They don't even know at the end of the year how much they have made. I mean our culture is back-to-back. And this year, they couldn't even do that. They have tobacco in the packinghouse that they can't sell. So what are they going to do? They have to leave home to go some place else.

We don't want to have to leave our homes. We don't want our children to have to leave to find employment. And when they go to these cities and things, they cannot get the employment because their educational standards are so poor and so bad so they have to resort to the ghettos—whatever that big word is, I am talking about the slums. They have to go begging. And maybe you will take a look around and help them up. They have potential. They can do it. So we don't want them to have to leave, but they have no other choice. And eventually we, as parents, will go, too, and we will end up in a worse condition than we are now.

Equality.

I have heard that word thrown around quite a bit, you know. You know in the banks you go to put your little dollar, which is all you have got and there is a sign saying "Equal opportunity." You look around. Somebody else is there to count your dollar. You are not qualified. And even if you are, because of the pigmentation of your skin, you get no job.

Equality in schools. Freedom of choice, they say. It is real good—freedom of choice. But they take and build the new school in a white settlement and say freedom of choice and then you have to go to your school in your area. This is freedom of choice.

These are the things that I hope you people will look into. I can go on and on and on and name them, and when you hit one southern area, you have hit them all.

The next thing is Neighborhood Youth Corps. Our kids are turning out. They are school drop-outs. They have got no place else to go for work, you know. So what are they doing? They are going right back to stealing. Whose problem is that?

You say it is their problem but it is all our problem because they are our children. They turn right back to doing what? Going on the county rolls. And what is this going to get them? Nothing.

Mr. Secretary, ladies and gentlemen, I hope you will listen to the poor people, the poverty-stricken people, the black man as well as the white man, and let us help to tell you what it takes for us to come out of the cycle of poverty. Let us help to tell you what we need because you don't know; you have never been black. But we do appreciate the effort that you have made.

Thank you.

Secretary FREEMAN. Thank you very much for a very eloquent presentation. You can be sure that we are listening and we wouldn't be here if we didn't hope we could do better.

QUESTION: Mr. Secretary, I am Harry Logue of the Community Association of Shelbyville, Tenn.

I would like to talk on: Where do we go from now?

Ed Kiley has made some very good suggestions. I would like to see us go to a series of regional conferences in areas that have enjoyed some success in organized multicity development.

In our area, Kent County, in southern Tennessee, we had outmigration in the 1950's. Since 1958 we have had a net immigration. Because of our development system, our citizens and two State agencies, we are building dams and junior colleges and trade vocational schools, and I think running one of the best poverty programs in rural America. I would like to suggest for your consideration, therefore, that you hold this regional meeting in the city of Shelbyville, Tenn., for the southern region.

Thank you.

Secretary FREEMAN. I hope you all noted what he said. I was in that area just last week and it is absolutely right that a very sharp exodus of people in the 1950's has been reversed in the 1960's. The prediction is that the addition in the 1960's will replace the movement out of the 1950's.

QUESTION: Mr. Secretary, my name is Howard Korch. I am a field consultant with the New York Office of Economic Opportunity.

I would like to suggest that as one of our recommendations we emphasize subunits in the small

community and local neighborhood regardless whether urban or rural. By this I mean communities or neighborhoods of perhaps 3,000 to 10,000, small enough in which people can know each other and in which the family is reinforced by the local neighborhood in transmitting values and social controls to the young.

I also mean communities that include both homes and work settings within their boundaries.

Such settings throughout history have been the seedbeds of larger society. In such settings, genuine community action and joint effort to improve conditions can best occur. Many Community Action agencies do have decentralized opportunity centers and local advisory councils in addition to the overall Community Action agency.

If we once recognize the preciousness and value of the local community or neighborhood, then the social and industrial policy can be considered to foster it.

To give one example: In Finland, some of the industrial pattern is built around the idea of several small communities located in a circle, each town building part of a larger product, with the central town about equidistant from the other towns.

Thank you.

QUESTION: I am Victor Hess, from Ohio University. These comments are part of a statement to the symposium by President Alden of Ohio University.

"For almost a decade now much has been written in America's newspapers and magazines, in feature stories and editorials, about the desperate need to stem the outmigration of Appalachia's greatest resources for the future, its young, its educated, its energetic people. Much has been written in research papers about the fact that Appalachians really don't want to go to Detroit, Dayton, and Cincinnati for jobs and that these cities can't really handle them.

"Much has been said in the college classroom, on radio and on television and in the halls of the U.S. Congress about the urgent need to help solve one of urban America's greatest problems by solving one of rural America's problems. In recent years many new ideas have been fostered which can be helpful in achieving these ends. The Area Redevelopment Act, the Manpower Development and Training Act, and others.

"State and private organizations have also be-

come involved and have provided a series of exciting new opportunities to help make taxpayers out of tax eaters in Appalachia. Obviously, this can be done only when productive jobs are abundantly available.

"Southeastern Ohio is typical of the rural areas of the Nation. To cite one staggering statistic, the outmigration of our most productive citizens between the ages of 24 and 34 is enough evidence of the problems we face. In 1950 our region had 165,980 young people from the ages of 14 to 24. By 1960 this same group, which was then 10 years older, 24 to 34, had declined in number to 60,187, a sudden drop of 63.7 percent; in other words, southeastern Ohio lost 105,793 young men and women within these age groups, from 24 to 34."

It is all true.

I must say for myself I am here to obtain as many new ideas as possible. I want to go back and do something. It would be nice to continue the dialogue but I think we can "dealogue" too long. There is a lot of room for action that can begin right now because Congress and Secretary Freeman and a number of other people have set up beautiful Government programs that are available for small communities. All of these programs—or a number of them grouped together can really do something for a community when all work together, rather than being thrown haphazardly into a community.

Back to president Alden's statement:

"These are the things we would like to see and that we are attempting to develop:

"A national service training academy designed to provide comprehensive training in community development for local community action volunteers and for such national agencies as VISTA, Teachers Corps, Peace Corps, and others.

"Appalachian services units to research and analyze and disseminate information concerning the most advanced teaching devices and methods so that the methods applicable to Appalachia are taken into consideration.

"A regional health center developed in cooperation with the Ohio Valley Health Services Foundation and recently funded by the Appalachian Commission to provide heretofore unavailable medical services to residents of the region.

"A center for local government to provide administrative assistance to the mayors, county managers, and commissioners in southeastern Ohio.

"The development of an academic curriculum

leading to a degree in social administration which would include 1 year of field experience.

"An Appalachian Fund designed in similar fashion to the North Carolina Fund to use its resources in supporting the many worthwhile development programs.

"An action-oriented center to take advantage of the tremendous network of programs built around the institute as a laboratory for the Nation in solving the problems of a nonagricultural rural economy.

"Recommendation: A change of heart. In the past 6 years we have developed here in southeastern Ohio an awareness of the opportunities for development, a desire to inspire local initiative, and a tremendous set of organizational structures to take advantage of these opportunities. No rural region is better prepared to serve the Nation as a laboratory for testing alternative means of stemming the outmigration of its most productive natives. No rural-based university is more committed to such social action. What is needed most now in our judgment is a national decision that the resources of Federal agencies will be made available on a broad scale to the rural regions of the Nation.

"There has been almost continuous dialog and debate at all levels of government about what to do. The response to the riots in the cities have resolved part of the dilemma—but only for the time being. As we plan and develop for communities of tomorrow, it is absolutely imperative that we make up our minds. Will we continue to pack our cities with hundreds of thousands of rural migrants, most of whom don't really want to go there in the first place, or will we have a change of heart and decide once and for all to adequately finance the redevelopment of rural America?"

Thank you very much.

QUESTION: I am Bill Stapp, Department of Conservation, University of Michigan.

Because youth is not here today, let me express a little of the feelings of youth regarding their environment and their role.

I think youth today, becoming adult and as citizens who vote, are going to be asked to make decisions affecting not only the environment in which they live but also their Nation. The votes they cast and the choices they make will be concerned with our environment. They will be asked to make decisions on recreation and parkways and beautification, air problems, water problems. And since

decisions like these affect the total environment, we must help them obtain the experience and knowledge they need.

In schools across the land, whether urban, or small town, it is vitally important to focus on the problems of that particular community. We should be concerned as a Nation not only about the pollution of the Great Lakes and the Potomac but also the pollution of the stream where we live. We must be concerned not only in establishing forests, but take an interest in the trees in our community.

From a national survey just completed we know youth is vitally concerned about problems of their own area. We must give them an opportunity to focus on these problems, begin to relate youth and their environment, spanning the curriculum from kindergarten through 12th grade so material will be presented at the time when the students are most receptive.

We must begin to focus on the problems of that particular community, but we should not stop there. Once they develop an interest, and once they see a problem that they as individuals and as groups can resolve, they gain a political efficacy. From there we begin to talk not only about the specific problems of that community but begin to broaden it out to State and regional and national problems. I think that is important.

So in consideration of policy, I should give some thought to educational programs dealing with youth.

QUESTION: I am Stephanie Stillwell from Wilcox County, Ala., and I would like to take you seriously, Mr. Freeman, that we can say anything, because I would like to presume to tell you something that I hope you will do in your Department.

Wilcox County is an area that loses thousands of people each year to urban areas. Since the Civil Rights Act and since the civil rights Report on Discrimination in Agriculture—I mean there has been a lot of improvement. But I think this isn't really reaching the small farmer and especially the small Negro farmer fast enough. I would like to encourage you to give priority to reorganizing your Department so that more of the resources that you can give the marginal farmer are available to them.

Secretary FREEMAN. Thank you. We have some meetings on that this week, as a matter of fact.

QUESTION: I am Mrs. Mamie Horn from Faye County, a beautiful little hill-town in Tennessee.

I have heard so much since I have been here that I just wondered if Faye County really exists.

I have heard from many peoples saying what they want and they don't want. I am trying to help plan something for the Negroes of Faye County as well as for all over the world. But you know when you make a dress for somebody, if you don't have a model it will always be too big or too small. So I am just wondering—all this planning that we have done—what will it do for the peoples in Faye County as of today? Not tomorrow. Peoples in Faye County are hungry; peoples in Faye County are cold; peoples in Faye County need education; peoples in Faye County need jobs. And I am just wondering can we survive until tomorrow?

We are grateful for you considering tomorrow for us. But I am wondering, Mr. Secretary, can we last till then? Can we wait that long?

We are able-bodied men and women who are willing to work for a living. We don't want welfare, social security, a handout from the Federal Government. We want to work. We want to earn our way. And all this about the housing program. What are we going to buy them with? We have no jobs. The little welfare check—one lady said in her hometown it was \$80. Ours is just \$60 a month. We can't buy homes with that. And I want you all to think and think well. We are all the children of the Almighty King.

All of the statements that I have heard since I have been here I have never heard one word about God. We need that in our planning, too. A lot don't believe in God, but neither do they believe in Negroes, but we are human beings.

You peoples who are here, ladies and gentlemen, if you could eat just one meal of food that Negroes eat in Faye County, it would give you ulcers. If you had to lay on just one bed that we have to sleep in, you couldn't stand it.

So I am asking you all to consider today for the Negroes in Faye County. We need you.

Thank you.

QUESTION: Mr. Secretary and members of the Cabinet, I would like to ask some questions and if possible you can answer them. You may not be able to.

Number one, I would like to say I think this

conference or seminar or symposium has been a step in the right direction. We do need a national policy in this subject matter area. I would question if we should call it communities of tomorrow.

I notice that by calling it that, we bring out certain biases in it. I know it is hard to stay away from biases when we have vested interests. But in developing national goals, we have to develop goals that do not deal with the symptoms, because the symptoms are not going to be the same tomorrow. And unless we do get a goal that can attack the target area and eliminate the symptoms as we go along, then it will not be a substantial national goal as far as I am concerned.

I would like to ask three questions:

Number one is related to the dialog. Would you and the members of the Cabinet provide leadership, and what abilities or resources do you have, for at least regional conferences on this subject matter?

We have to get this dialog out to where people can appreciate it.

One of my academic colleagues made a statement about the hillbilly. I happen to be from the Ozark region. We know our problems. But, we had no choice to implement our values. Some moved away, but some would have preferred to stay. This conference is dealing with that very subject, to give them a choice to exercise their values where they want to.

And as a result, I think the dialog and the goal you have can reach these people.

Secretary FREEMAN. I can only speak personally at this point, but it seems to me quite logical that regional followups would be a logical thing to do.

Mr. WATKINS. There is a lot of discussion with regard to you bureaucrats, but you do add a degree of prestige to a conference of this type.

Secretary FREEMAN. Well, I have never minded being made an instrument, even if it is a blunt one.

Mr. WATKINS. The second item deals with the professionals and the people here who can be of assistance to you and the whole Nation. I have had a lot of experience with conferences—and after the conference, that is the end of it. We have no contact with the people who are instruments in doing something and as a result, a lot of our activity goes to waste.

I would like to ask if you or some Cabinet member could provide either one man part-time or full time to gather information and disseminate it to people like myself and those here who are interested in helping promote this dialog and to gain more study into details that are related to it?

Secretary FREEMAN. If you have questions, if you will send them to me, we will answer them and we will send bibliographical material. I am sure my Cabinet colleagues would be delighted to do the same.

Mr. WATKINS. The third thing is this. It has shocked me in the academic world, where I have spent most of my life, that we compartmentalize our resources and study areas. We—and especially you gentlemen—are dealing with problems that are general in nature and require multidiscipline decisions. Yet our machinery is really not set up to handle that type of detailed study. I would hope and ask that you give consideration to providing some type of environment for cross-disciplinary studies of detailed problem areas in this overall national goal.

Secretary FREEMAN. The point is very well made and efforts are being made to do exactly what you are talking about—in terms of research, development of ideas, and in terms of execution. Your point is well taken.

QUESTION: I am Demitri Shimkin from the University of Illinois.

I would like to mention, first, a number of facts about the work with which we have been associated, particularly in Mississippi and also in Illinois.

The first point, which is of absolutely central importance, is the fact that black people, where they are given a reasonable opportunity, have potentials which aren't measured by the criteria we have.

For example, in Hinds County, one of the most impoverished counties for Negroes in Mississippi, the capacity of the local population has been enough so that with persons of sixth or seventh grade education, there has been a first-class Head Start program encompassing every black child—and as many white children as could be brought in. This program has standards comparable to those in urban areas, as verified by our experts.

We have had leadership from the Negro community, and on the basis of it, our university—my colleagues in the department of preventive medicine—are going ahead on a 5-year work commitment, both in basic biological and social studies. Ninety percent of that work, including electrocardiac work, including studies of hypertension, will be done by locally trained people. We know enough now from our work that it can be done to meet not merely low-class service standards, but scientific standards of excellence.

The fact is that the problems of job simplification and face-to-face partnership on a continued basis haven't even been scratched.

Now, we are going ahead, come hell or high water, come Federal Government or no Federal Government. This is not a question where we are looking for anybody. We would be glad to have help. But a State university has a certain commitment to the people, and the people in Illinois are very deeply connected with those in Mississippi.

We now have approximately 100 of our faculty members who are not talking, but who are working or plan to work.

I hear the word "dialog"; gentlemen, this is an occupational disease. The problem of dialog is long, long overdue. There is a great deal of need for implementing actions.

For example, the reversal of much of the work of the agricultural experiment stations, from work designed primarily to maximize the displacement of man by machine to work maximizing incomes. There are a great many areas of labor-intensive work in terms of animal industries. And these animal products are very scarce in the South. With very limited support a great deal can be done. There is great need for better information and especially for marketing arrangements.

It is inexcusable in the State of Mississippi, where the land is not used, that 600,000 people, black and white, should in 1965-66 have to be fed by commodities. The land is there, the resources are there, and people are willing.

Now, one of the central problems is the obsolescence of the plantation system. There is no doubt that we need help in the United States as well as in Latin America countries. Let's face these problems. We know that the psychological stability, the future planning, and the integrity of families among independent small farmers—the despised "subsistence farmers"—is like night and

day compared to the psychological destruction on the plantation. This we have verified. People like Robert Coles and other psychiatrists have checked that out time and again.

So the cost is economic inefficiency versus lives. But it is more than that. A child that is raised under circumstances including acute malnutrition in the perinatal period, which is characteristic of a large and increasing proportion of Negroes, represents a lifetime loss. We calculate \$150,000 in our State. At least two-thirds of these losses are fully remedial by, for example, protein supplements in the perinatal period. The nutritional people can tell you again and again, that by far the largest single cause of mental retardation is nutritional insult in the first 2 years of life.

Now the other point, Mr. Secretary, is that we are talking at this conference not about dialogs. We are not talking about 1972, let alone 2000. We are talking, Mr. Secretary, about the greatest political issue of the campaign of 1968. And this means there is an urgency; that constant yakking has to be replaced by some sharply defined goals, executive actions, and placement of choice before the American people.

I see no greater problem right now for 1968 than what has been raised in this conference. And I think that the problem is to get from talk to some hard-to-find action. I know that with the preparation that has gone on, we can expect it.

Secretary FREEMAN. Thank you, sir.

QUESTION: Mr. Secretary, I am Ben Neufeld of the National Council on Agricultural Life and Labor Research here in Washington.

I want to say that personally I have been rather disappointed in this symposium because we never came to grips with the question of urban-rural bounds. I understood this was going to be a key issue to be considered. And it never was.

It is my impression from your own opening statement yesterday until the closing speaker this noon, we got further and further away from consideration of urban-rural balance.

From Mr. Ash yesterday to Dr. Hauser this morning, we were assured that nothing could be done for rural areas because capital was not going to go there.

My own inclination is that we cannot simply say that capital won't go there. I think we need to find a way to get capital there. Because, unless

we get capital into rural areas, we are not going to have jobs now, we are not going to have jobs in the future, and we are not going to have rural areas available even for us city folk who want a cheap vacation—which is what a lot of the rural area development up to now has been (not all of it, but a good deal of it). We are providing recreation areas for minimum-wage employees.

I think since the symposium is over and we are talking about a generalized dialog, we have to shift our focus. Instead of relying on the machinery of this symposium and its followup, I think we have to shift over to the report of the National Advisory Commission on Rural Poverty.

I think we have to give its conclusions and recommendations the most minute scrutiny. I don't think we can do this adequately, of course, until the background papers are published sometime next month. We have to find out on what basis the Commission came to its detailed conclusions and recommendations.

I think everybody in this conference ought to make it his business to get that material and study it.

I am prepared, with whatever organizational structure we may find appropriate, to serve as a center for exchange of ideas among the non-Government people here who would like to engage in a dialog. Let's see if we can't distill our own thoughts on the subject and bring this to the President's Committee on Rural Poverty, of which you are chairman. Anyone who wants to discuss that further this afternoon will find me right here.

Secretary FREEMAN. Very good.

I might comment that I share some of the disappointment you had of the focus on urban problems. But I didn't read the thrust of this conference as you did.

Mr. Ash, in effect, said yesterday industry is moving to the country, rather than to the big-city, purely and simply as a matter of economics.

I think this is happening. I think throughout the conference, particularly from the floor, it was repeated again and again that the rural-to-urban movement is not inevitable, but quite the contrary.

And so, although I would have liked a sharper focus on that, I don't think the country was quite that much neglected.

QUESTION: Mr. Secretary, members of the Cabinet, ladies and gentlemen: I have been look-

ing for some feathers around in the area but I haven't seen a one, so it is left up to me.

I am from Oklahoma. I am Scott Bread, a minister among the Cherokee Indians. I am a Cherokee, myself, and I understand and know the people and the way that they have to live.

Now, the people there have gotten to where they are at a stepping-off place. Hope is being brought again to my people in the Cherokee Nation. Two years ago the light became brighter when OEO came into existence in our area. But now there are doubts. The people demand and ask, "When is OEO coming in? When is it going to happen? What is this thing that we have been waiting for?"

I happen to know that over \$48 million went into Oklahoma in the first year of its (OEO's) existence. But the problem has been getting it down there to where we are. It is being bypassed somewhere.

This symposium here has given me some good ideas, and it has brought back memories of years ago when we had small agriculture; we had corn, we had cotton. I picked cotton myself on my father's farm. But all of that is gone, Mr. Secretary. There is no cotton in my area because we are too small.

The Vice President said that the minimum to start farming in the Midwest was around \$100,000—and I will go along with that. The little man has no chance in my area any more. We are loaded down with hills, trees, and what can you do with this? We used to hunt squirrels, but we don't do that any more because some are not able to buy the license.

But getting back to the present day; where are we heading? Where are we going?

Our schools in the rural areas are bad. I have VISTA volunteers in my area that are trying to help bring this to a point where we can understand what the main problem is. We have found in our

areas that an eighth grade youngster is reading at second-grade level.

I have visited the Head Start programs. They are in good shape. They begin to mingle and they begin to understand what school is.

I was 9 years old before I started to school. I couldn't talk English. This was many years ago. But now I am 51 years old, Mr. Secretary, and next September I am going back to school and see what more I can learn.

I wish I could convince the people here that are in a position to do something. Things are lacking in our area. There have been task forces from the Government in Washington who have been down there. They have done tremendous things. But we are bypassing the thing that is actually needed. We need to step back a little bit and pick up what we left behind, the people that are left behind.

I notice in the President's report—"The People Who Are Left Behind." These are the ones I am serving in my area. We just pray and hope that something will come of this, that somehow or another you can reach my people, Mr. Secretary.

Thank you very much.

Secretary FREEMAN. On behalf of my Cabinet colleagues and all concerned I want to thank you. This has been an instructive and useful day-and-a-half for us and we are grateful to you.

This conference was not called as an action program, but we are all anxious that it lead to action. Yet whatever may be said about action versus talk, we live in a democratic country in which the resources to do the things that we want to do—and want to do passionately—come only when we have the support and the understanding of the people of this country.

So let's not sell the dialog part of this symposium short. It builds a solid base of support that will make it possible to do the things we are all here to do.

Thank you and good afternoon.



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